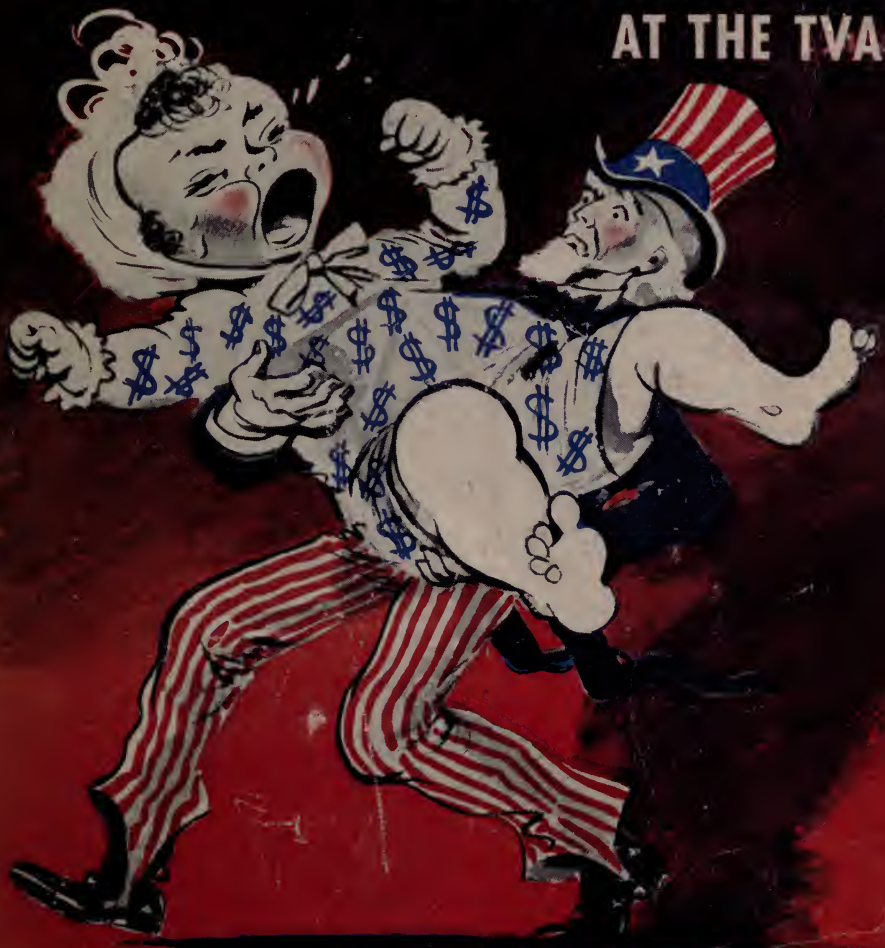
UNCLE SAM'S BILLION DOLLAR BABY

A TAXPAYER LOOKS AT THE TVA



BY FREDERICK L. COLLINS

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UNCLE SAM'S BILLION DOLLAR BABY:

A Taxpayer Looks at the TVA

SHALL WE HAVE more TVA's?

The question is an important one, for the problem of whether our use of electricity shall be administered by business men or by governmental appointees affects every one of us.

The Tennessee Valley Authority has been a part of our American life for more than a decade. It has consumed nearly a billion dollars of American money. The alphabetical abbreviation of its name, TVA, has become a household word in millions of American homes.

But how much do we Americans know about it?

(*Continued on back flap*)

IMPORTANT

Government wartime restrictions on materials have made it essential that the amount of paper used in each book be reduced to a minimum. This volume is printed on lighter paper than would have been used before material limitations became necessary, and the number of words on each page has been substantially increased. The smaller bulk in no way indicates that the text has been shortened.

Uncle Sam's
BILLION-DOLLAR BABY

"The people of the United States will shortly have invested in the various installations of the TVA approximately a billion dollars."

—DAVID E. LILIENTHAL,
Chairman,
Tennessee Valley Authority.

Uncle Sam's BILLION-DOLLAR BABY

A TAXPAYER LOOKS AT THE T V A

by Frederick L. Collins

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CONTENTS

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FOREWORD

It is only fair to warn the reader at the start that I am no authority on electricity or the production of electric power. I know about as little, technically speaking, of the mysterious force which makes my light shine and my clock tick and my wife's washing machine wash as it is possible for an adult, reasonably educated person to know and still be accepted socially by his fellow man and woman. I do know, however, that it is important that the activities listed above and many other activities of what has quite properly been called The Electric Age should continue unabated and, if possible, unhampered by considerations either industrial or ideological.

My present acute interest in this larger phase of the subject was aroused first by the mass of adulatory literature issued by and about the Tennessee Valley Authority. I had no quarrel with this literature. I believed, and still believe, that much of the adulation was deserved. My reportorial sense, however, as well as such common sense as I possessed, told me that there must be two sides to this as to every other question.

As a frequent and insatiably curious traveler throughout all sections of the country, I was already more or less familiar with the great government power projects in the South, Southwest, and Northwest. I now began a series of visits to power plants under business management, as distinguished from political management, and met and talked with many of the great figures of the industry. As a result of these visits and contacts I was encouraged to write this book.

For assistance in its preparation I owe thanks not only to these veterans of the electric industry but to the officials of

the Tennessee Valley Authority who offered every facility for observation and study to one whom they knew to be a wholly unawed critic of their experiment. Finally I owe continuing gratitude to Barbara Muriel Collins for her many editorial contributions to my work.

FREDERICK L. COLLINS

West Falmouth,
Massachusetts.
July 1, 1945.

PART ONE

MEET THE TAITS!

In which an American family discusses a problem which vitally affects every other American family.

I AM John Tait. I live in a medium-size house in a medium-size community. My family is medium-size, too: my wife, Lovina; my daughter, Mary, age twenty-five, married to a local young man now somewhere in the far Pacific; and my son, age seventeen, freshman at a near-by college.

We are simple folk, our home a modest one. I am what is known as a good provider, and Lovina makes the provision go a long way. Mary has both feet—very pretty ones, I don't mind saying—very much on the ground, and Andrew, the boy, although not yet much to look at, is clean-cut and upstanding enough, though privately a bit bewildered by a world that he is just beginning to know.

On the Sunday afternoon when Lovina loosed the avalanche, we were all sitting quietly in the Tait family living room, each absorbing erudition in his own way: Daughter Mary tucked up in the corner of the sofa with a library copy of *The Thurber Carnival,* Son Andrew frowning over the preparation of his daily theme, the Old Man sunk in deepest Agatha Christie.

A peaceful scene, really, until Mother popped out of her woman's magazine and broke the Sabbath calm with: "It was a Greek!"

Lovina is like that—sudden.

"Mother," asked her daughter, "what *are* you talking about?"

"The man who invented electricity. I always thought it

was Ben Franklin, but this article says it was a Greek named Thales."

"Sure!" agreed Andrew, with that conviction of omniscience which is felt only briefly at seventeen and seldom recaptured thereafter. "Thales of Miletus was a philosopher of Greece's golden age, about 600 B.C., who rubbed his hand over a piece of amber and got a thrill out of it. Magnetism, you know."

"Is that electricity?" asked Mother.

"Well," continued Andrew, still with the air of one who could tell all, but thinks it hardly worth while, "it's a close relative, sort of a cousin. So was the lightning that struck Ben Franklin's kite. It was an Englishman named Faraday who really made electricity work."

"I don't know about your Englishman, son," I said, "or your Greek, but it was an American named Edison that made it shine, and that's what counts."

"It counts a lot, Dad, but it isn't all that counts. Electricity is not only light, it's power."

"Of course," put in Mother. "It runs the refrigerator."

"Right! It runs the refrigerator and the electric fan and that clock on the mantel and—"

"The dishwashing machine in the kitchen."

"Yes, Mother, and most of the factories that are making the guns and ammunition that Steve and the other boys are firing."

A familiar wartime silence descended on the Tait home.

Mary's man, Stephen Fane, was already out there fighting for what we Americans know as freedom, and the time was all too short before our seventeen-year-old Andy would follow him. It was Mother who finally cut the silence. She's brave, Lovina is, as well as sudden.

"Anyhow," she said, "whoever did it, it was a great invention—electricity."

"Not an invention exactly, Mother, but a discovery or a

series of discoveries." Andrew was again very much the all-wise college freshman. "It is what you might almost call a natural resource. It doesn't belong to any one man or one group of men. It belongs to the people, and it's a shame—"

"Now, son, we don't need another lecture on 'the people.' We are the people—Mother and Sister and Steve and you and I and others like us. Perhaps Mother used the wrong word. Perhaps electricity is a discovery, not an invention. But what difference does it make?"

"All the difference in the world!"

"Not if we, the people, have it. And we certainly do have it. As you pointed out to your mother, it not only lights our rooms but runs our clocks and—"

"But, Dad, you don't understand. Honestly you don't, Dad."

"Your father is right, Andrew. If you had had to wash as many dishes in your life as I have, you'd not only know that you had electricity, but you'd be pretty grateful for it every time you looked at an electric dishwasher."

It was a homely tribute to Thales and Franklin and Faraday and Edison, but it was indubitably a sincere one.

"Who are you grateful to, Ma?" asked Andy, with that gay disregard of grammatical rules which seems to be the fashion with the college young.

I thought that question might send Mother down for the count, but it didn't.

"Why, to Steve of course"—our son-in-law, before he turned soldier, was an electrical engineer—"and to all the other men who work for the electric company."

"The electric company? Huh!"

Son Andrew was now scuffing back and forth on the new living-room carpet, and apparently trying to dig a hole in the palm of one hand with the knuckles of the other. Finally, he slowed down to a stop in the middle of the floor, both hands parked safely in trousers pockets.

"I take it," he said, with what was meant for an upper bracket of scorn, "that no one in this room has read Mr. Lilienthal's book about the TVA?"

No one had. In fact, although I blush to say it, no one had even heard of it. We still thought that the local electric company, managed by businessmen we knew and liked, was all right. But Son Andrew, in a few thousand well-chosen words, proceeded to remedy the Tait family's literary delinquencies and was doing a pretty good job on its political and sociological ones, when he had to grab his bus back to college.

It was at this point that one member of the Tait family barged out to the Carnegie Library to get Mr. David E. Lilienthal's book and try to learn more about what was—if Andy was right—a short cut to Utopia.

I have often wondered where my daughter Mary got her good looks. Not that Lovina wasn't a pretty enough girl when I was courting her—I thought so anyhow, and, as I remember it, so did a lot of other stiffs—but Mary doesn't look the least bit like her mother. Now take Andy; anyone would know he was my son: the same gangling lankness, the same embarrassing tendency to put the left foot where the right foot already is, the same oversize freckled nose, the same sticking-up hair that is so trying to him—and was once so trying to me—on dancing-school nights. But Mary is something special.

I have mentioned her nice-looking feet. What they are hitched onto are all right, too, and, having started right, she stayed right all the way up. A slim, straight, crisp sort of kid, not too tall, not too short, with a face that manages to be pert without being hard. I guess the soft blue of the eyes is what does it—eyes that are sometimes gay, sometimes somber, or perhaps it is the deceptively blonde sheen of her hair. I don't mean that the blonde part isn't real. It has grown on

her like that from babyhood. But blondes are popularly supposed not to know much, and Mary knows a lot.

"What's the title of that book you're reading, Father?" she asked.

"TVA: Democracy on the March."

"TVA? That's that electric thing Andy was talking about. Is it a good thing, Father?"

"Mr. Lilienthal says it is, and a lot of people seem to agree with him, including a good many big men down in Washington."

"Just what is it, Father—the TVA?"

"That's a large order, Daughter, to answer that one. But TVA is a large order any way you look at it. It has cost seven or eight hundred million dollars already and will soon cost about a billion."

"Whose billion?"

"Well, shall we say the government's?"

"The government has no money of its own, has it, Father?"

"Well, the taxpayers' money, then," I bumbled. "But as to what the TVA is—that's what you were asking, wasn't it?—its real name is Tennessee Valley Authority, and it has been conducting a large-scale social experiment in flood control, navigation, recreation, soil fertilization, *and* electric-power production, ostensibly for the benefit of the people who live in the valley from which it takes its name. Less ostensibly, but quite as purposefully, it has been the guinea pig—one of the many alphabetical guinea pigs born during the depression—not only to provide jobs for the unemployed, but to try out certain political theories connected with the late President Roosevelt's New Deal."

"What did Mr. Roosevelt know about electricity?"

"Not very much about electricity itself, but as governor of New York State, and even before, when he was a young State Senator, he didn't think the electric companies were regulated enough, and I guess that was true in those days. Busi-

ness standards change with the times, just like any other standards. Anyhow, the President got the idea that the government could produce electric power cheaper than the companies. At least, he wanted to find out if it could—and when the depression came along and it seemed necessary for the government to provide 'made work' to keep people from starving, he got his chance. The TVA is the result."

"Did he prove his point?"

"Again, all I can say is that Mr. Lilienthal, who has been in charge of the experiment, thinks he did. And there is pretty good evidence that the President thought so himself, because he suggested to Congress that the government go ahead and establish half a dozen other TVA's—an MVA for the Missouri River Valley, an AVA for the Arkansas River Valley, a CVA for the Columbia River Valley, and so on—until the whole country would be pretty well covered."

"That would be bad for Steve's business, wouldn't it, Father?"

"Very bad. He probably wouldn't have any business."

"I'm against it. Steve's out there fighting for his country, and the least they can do while he's away is to do nothing that will interfere with his job."

"There could always be a WPA," I laughed.

"I'm against that, too."

"Good girl!" I said.

"And Steve will be against it. You know Steve—independent and all that."

Yes, I knew Steve. And it occurred to me all at once that what Steve thought, he and others like him, might have more to do with settling this and many other problems than anything our home-front planners and theorists thought or did. The idea was somehow comforting.

"The thing I can't understand," said Lovina, "is what electricity has to do with democracy."

I had been wondering about that point myself, had even done a little bit of additional reading on the subject at the library, and had come to the conclusion that it had a lot more to do with it than most of us think.

"You see, Mother, electric power doesn't seem very important to you and me because—well, for one thing, it's so cheap compared with everything else we have to buy. I remember reading somewhere that it costs the average family only about a dime a day for all the electricity it uses, and the American mind is so constituted that when a thing is as cheap as that, it doesn't think much about it."

"Why should we think about it," Mother replied, "if everything is all right and we get good service from the company and it's cheap as you say? Why should anyone think about it?"

"Well, it seems that there are a lot of people who do. Socialists have been thinking about it for a long time. Talking about it, too. And planning things like this TVA fifteen, twenty years ago. They are interested in electricity, not because of what it costs, but what it does. You heard Andy talking this afternoon about electricity running the mills that are making the guns and ammunition our boys are using. That was true talk, Lovina. We couldn't win this war, at least not anywhere nearly so soon, if our electric companies hadn't had more electric power than all the Axis nations combined."

"But that's all right, isn't it?"

"Sure, it's all right."

"Well, what are these socialists or whatever you call them kicking about?"

"They aren't kicking. They think it's fine. But they don't look at it quite the way we do. We think it's wonderful that a lot of businessmen just like me, only maybe smarter, can perform such a miracle. We think it means that the American stock isn't running out—that our people are just as tough

and strong as they were in 1776. But that sort of stuff, according to Andy and some older and ought-to-be wiser people, is 'dated.' They think that a business that can perform a miracle like that should be run by the government."

"But that's communism, isn't it?"

"Some say it is. I wouldn't go as far as that. Maybe it's just another new political theory imported from the other side of the world, something we haven't learned yet. Maybe, Mother, you and I are just out of step."

"Sounds like communism to me," she insisted.

"Mr. Lilienthal isn't a communist, I'm sure, or he wouldn't call his book *Democracy on the March*. He is just a man who believes that the government can do these things better than we can do them for ourselves."

"Well, that's communism, isn't it, or fascism or whatever you call it? Didn't Mussolini and Hitler tell their people the same thing?"

"Yes, they did, Mother, in a way. And perhaps sincerely in the beginning, just as I'm sure that Mr. Lilienthal and all who believe like him are sincere. The trouble with these theories is that they are fast movers. They get ahead of the people who propound them. Now I don't pretend to understand all that I have read on this subject. All I know is that Mr. Lilienthal naturally believes that his experiment is a success, and, being possessed of high literary as well as administrative gifts, he has written a charmingly persuasive book, not only about his job and his valley but, between the lines, about himself.

"He and the people who think like him—even our own son—represent a school of thought, call it what you will, which is as different from what we have always understood to be democracy as black is from white. I don't say which is the black, or if either is, but I am going to try to find out, and I think it is the duty of every American citizen to do the same before it is too late."

CHAPTER 2

FATHER TAKES A TRIP

In which the elder Tait tells the folks what he saw for himself in the Valley of the Tennessee.

"MAGNIFICENT, Lovina, that's what it was!"

"What was magnificent, Father?"

"The TVA."

"Thought you were in Washington all week."

"I was—part of the week. But I got a chance to ride over to Knoxville with one of those government fellows I'm doing business with, and I jumped at the opportunity to get a look at the valley for myself. I told you I was going to find out the truth about this electric power thing—and, believe me, I'm on the way!"

"I didn't know they'd let you in."

"Couldn't keep me out very well. The Tennessee is a fairly short river—only six hundred and fifty miles long—but it and its tributaries run through seven states. That's a region about as big as England and Scotland together. Moreover, the TVA people don't want to keep you out. They're glad to have people come—and before the war they did come, by the thousands. They even have beautiful reception rooms for visitors and plenty of people to answer questions and show you what's going on. They're pretty proud of it—all the work, I mean—and I guess they have a right to be.

"Take just one thing—the lakes they've made by damming up the river water. Those lakes have nine thousand miles of shore line. According to Mr. Lilienthal, that's more shore than the whole American seacoast, Atlantic, Pacific, and Gulf of Mexico. And the dams themselves that back up all

this water and make the lakes, you ought to see 'em—all gleaming white in the southern sun. They're beautiful! And big as they are beautiful."

"Big as those dams out West?" asked Mary.

"Boulder and Grand Coulee? Look, Mary, there's no comparison. Boulder and Grand Coulee are the biggest single masonry structures in the world, but they *are* single structures. I'm talking about a system of dams, a series, that has to be considered as a whole, and when you do that, Boulder and Grand Coulee are just a couple of gadgets. Why, the material that it took to make these TVA dams would have made ten Grand Coulees or thirty-five Boulders. That's twelve times as much material as it took to build the Great Pyramids of Egypt. The concrete alone would have built two Panama Canals and had half a Panama Canal left over. You could bury twenty Empire State Buildings in the excavations they had to blast and shovel out for the foundations. And high! Say, one of those dams is as high as a forty-six-story skyscraper, and a whole lot more beautiful."

"Those TVA boys must be good salesmen," said Mary.

"What do you mean, 'salesmen'?"

"They've sold you, all right, Dad. I thought you were against all these socialistic dreams."

"These aren't dreams. They are dams. I've seen 'em—twenty-one of 'em."

"Twenty-one dams on one river!"

"Yes, one river and its tributaries."

"What's the idea?"

"Well, the idea, according to the bill they put through Congress, was to make the river navigable and to protect the valley against floods, but the result is one heck of a lot of energy which they convert into electric power and sell cheaper, so it is claimed, than the regular electric companies can. Last year, for instance, they supplied more than three billion kilowatt hours of electric power to more than a hun-

dred and twenty municipal and co-operative electric systems supplying more than half a million customers. That makes them about the largest electric power outfit in the country. It's a great scheme!"

"If you don't happen to own stock in one of the companies," said Mary—always the practical one.

"There *is* that," I admitted.

"Or work for one, like Steve."

"There is that, too, but we mustn't be selfish when it comes to what Mr. Lilienthal says is 'the Grand Job of This Century.' "

"The only job I'm interested in is Steve's job."

"O.K., O.K.! If you don't want to hear about all I saw, I'll shut up."

"But we do want to hear about it, John," put in Mother, placatingly. "What is this Tennessee River, anyway, and why are they making all this fuss about it?"

I decided to be hard to get.

"That," I replied loftily, "is another story."

The Taits are a proud people, but kindly, and good to their womenfolks. So, after being sufficiently urged, I resumed my tale of the TVA.

"Well," I said, "the Tennessee isn't the longest or widest river in the world. It's no Mississippi or Missouri or Amazon or anything like that, but it's plenty of river. Its waters rise in the mountains around Asheville, North Carolina—the Great Smokies, I think they call them—and even farther north in Virginia, then flow south as far as Georgia and Alabama, then west to the northern corner of Mississippi, and finally north—or 'uphill,' as it looks on the map—through Tennessee and Kentucky to the Ohio River.

"The mountains where it starts are the highest in the East, and the drop into the valley is so steep that the waters rush along, or did until they were controlled, like a couple of

dozen Niagara Falls on a seven-state binge. The rainfall in those mountains is high, too—about eighty inches a year, which means that if you owned an acre of land in those parts, you'd have about six thousand tons of water drop on it every twelve months, which is some sprinkle."

"No wonder it took a lot of dams to hold that water back," said Mother.

"And a lot of engineers to plan them." I knew Mary was thinking of her Steve and his job.

"Where did they get them?"

"Oh, from all around the country. A good many of them came from the regular electric companies, men the companies had been training and developing for years."

"Like Steve?"

"Yes, like Steve. Maybe he could get that kind of job when he comes back."

"Not Steve. He isn't enough of a politician, and politicians are the ones that would get the jobs."

"Well, I think it's only fair to say that politicians have been pretty well kept out of the TVA. Mr. Lilienthal himself says that a politically managed Authority 'could become a curse to this valley.' "

"That's all right, Father. It's fine, and does Mr. Lilienthal a lot of credit. But how many Lilienthals are there in government jobs, and how many government jobs are there—outside of civil service, of course—that aren't controlled by politicians? In peacetime, I mean. No, Steve wouldn't stand a chance, and if he did, he and I would have to pull up stakes and leave all the people we like and go wherever the government sent us, or where some politicians told us to go. And what chance would there be for the future? Men that work for the government don't get to own their own businesses. They're stuck for life, or until the opposition party comes in and throws them out. There's nothing in that, Father."

"I'm not saying there is. I'm just explaining that this idea of harnessing rivers to get electric power is not new with the TVA. The regular electric companies have been doing it for years in places where that seemed the cheapest thing to do. Most places, especially where coal is handy, steam is cheaper, so the companies don't bother much with water power; the dams cost so much to build."

"Well, I seem to remember that Tennessee is a coal state," said Mary. "Why bother about water power there, if steam is cheaper?"

"Daughter, I'm not arguing with you about the economics of this thing. I'm just telling you what I saw, and what they told me. The point I'm making right now is that the electric companies had trained plenty of men who knew how to build dams and power houses and install turbines and generators and other electrical machinery, and the TVA was able to grab a bunch of these good men and set them working for the government—so many that they are not only able to do everything they need for the valley, but are able to tell other people how to do things. Why, this last year, TVA engineers not only did their own job, but collaborated with Russian engineers on building eleven powerhouses for the Russian government."

"Russia's a long way from Tennessee," said Mother. "I don't see why we should pay people to help build powerhouses in Russia."

"This is an experiment, I tell you, an experiment in socializing industry, and these TVA boys, as you call them, think it's their duty to tell the world about it. It's a sort of gospel with them, and they're out to spread it. I understand they've issued several thousand statements to the papers about how good the TVA is."

"Who pays for those statements, all the writing and printing and mailing?" asked Mary.

"The government pays for it, of course: that is, the writing

and mimeographing and that sort of thing. Then they go out without stamps under a government frank."

"Is that right, Father? Fair, I mean?"

"Well, this is what Mr. Lilienthal calls democracy, and the government itself is behind it. Take this book we've been talking about. I was reading in the papers that *TVA: Democracy on the March* is to be translated into about twenty languages. See, here's the item from the *New York Times:*

> "Hebrew, Belgian, French and English rights have already been sold. Negotiations are under way for Spanish, Portuguese, Chinese, Danish, German and Italian translations. And the OWI will distribute the book in eleven languages, including Serbo-Croat, Albanian, Slovak, Hungarian."

"OWI!" exclaimed my daughter. "Doesn't that have something to do with the war?"

"Yes, it's the Office of War Information."

"Well, what has Mr. Lilienthal's book got to do with helping to win the war? And is the government also paying out money to tell the world what a good war job Steve's electric company is doing?"

There is no arguing with Mary when she gets that way. I didn't care personally whether the government was telling the electric companies' side of the story or not. I didn't own stock in any of them, though I knew a lot of people who did. The Steeles down the street and Old Lady Jackson were, I knew, dependent on their dividends from the local electric company, and I suppose there were millions like them all over the country, good American citizens like Mother and me, that would go broke if this TVA thing began to spread. But I was still under the spell of what I had seen in the valley and what the valley folks—I mean the TVA folks that were running the valley—had told me. I wasn't prepared to answer Mary's questions. So I decided to let them pass, and went back to my newspaper.

However, my womenfolk wouldn't leave me alone.

"So that was why they chose it?"

This, of course, was Mother—one of her explosive remarks that seemed to come out of nowhere but, you could bet your sweet life, was going somewhere.

"Why they chose what?"

"The Tennessee. Because it was the kind of river that would make a lot of electricity?"

"Well, they didn't say so. They couldn't because it has long been considered against the Constitution for the government to go into the power business or any other business. So, to get the bill through, they featured navigation and flood control."

"I'm for that—flood control."

"Everybody is. Put flood control in a bill and it's as good as passed before it's proposed. Recreation is popular, too, and they've spent a lot of money on that—you know, resorts and beaches along the lakes, and wonderful roads for motoring, and all that sort of thing."

"What have resorts and beaches and motoring got to do with making electric power?"

"The relation is remote, I admit, but, as I explained, this is a social experiment."

"So," said Mary, "they had to supply a place for people to be social in?"

"Well, they did, and the result, as I was saying, is magnificent."

"I still don't understand," insisted Lovina, "what recreation has to do with electricity."

"Let's drop the subject," I said, "and I'll tell you about the TVA's fertilizer. You see, the government was stuck with a hundred-million-dollar investment in those old nitrate plants they built down at Muscle Shoals which were planned to help win the First World War, along with the foundations of a dam they started to build to make 'em run—and a hun-

dred million dollars was a lot of the taxpayers' money in those days. Today it isn't even folding money! But the idea of salvaging this old World War flop was another reason for picking the Tennessee for this experiment. To be sure, Henry Ford and other people had been willing to take the plants off the government's hands at a good price—"

"Did they think they could run them better than Henry Ford could?"

"I wouldn't know. All I know is that the same people down in Washington who had been planning this TVA for so long were hell-bent to run these plants themselves—you know, as an experiment—and if they were going to run them, they had to have something to run them with. Power, I mean."

"They got that from the local companies, I suppose?"

"They could have, but they didn't. That would have spoiled the experiment. They wanted to do everything themselves. Besides, they knew that if they could get into the power business at Muscle Shoals, it would be a good start on the whole valley. So they didn't buy the power from the electric companies, but spent another bunch of millions completing the dam at Muscle Shoals to make power of their own. That was the real beginning of the TVA. And it was a major operation, too, because they had to start practically from scratch, with only the foundations and part of the lock of the old dam already built."

"What happened next?"

"Well, having generated all this electric power—"

"At the cost of millions of the taxpayers' money!"

"Mary, how often have I told you, you shouldn't interrupt your elders? Having got the power, they were naturally up against what to do with it. That's when they went into the manufacturing business."

"I thought you said it was unconstitutional for the government to go into any business."

"It is. I mean it was. Oh, I suppose it still is. I don't know

what I mean. I'm not a lawyer. The point is, they did go into business, and in a big way. Thousands of tons of some kind of phosphate stuff that goes into feed for cattle and a hundred thousand tons of calcium carbide—all that sort of stuff."

"And fertilizer?"

"That was a natural. These plants had been built to make nitrate, and nitrate's a fertilizer. So the TVA went into the fertilizer business like all get out. A hundred and thirty thousand tons of ammonia nitrate and I don't know how many tons of phosphate—enough for the valley and a thousand other valleys for all I know. Anyhow, they had a lot left over that they shipped to foreign parts on a lend-lease arrangement."

"That was a good thing, wasn't it?" asked Mother.

"About as good for the fertilizer business," said Mary, "as all those dams were good for the coal business!"

Mary is irritating sometimes, the way she sticks to a thing.

"The TVA fertilizer program has done a lot of good, Mary. There can't be too much fertilizer in a big country like ours. Moreover, the Tennessee Valley itself badly needed fertilizing. All that water coming down so fast had worn away the banks of the river. Erosion is the sixty-four-dollar word for it. So the TVA, being as I said a social experiment, started out to make fertilizer to help the valley farmers improve their land. They sold some of this fertilizer to the government, but distributed a good part of it free."

"Say, what *is* this TVA? A charitable institution?"

"It's a little of everything, Lovina. They plant trees and protect wild life—but we were talking about fertilizer, and I was explaining that their fertilizer business, like most other things they went into, soon outgrew the valley. Take the education business—"

"Are they educators, too?"

"Sure. They even draft bills for Congressmen to introduce. There's hardly anything they can't tell people how to do. But

to get back to the fertilizer business. They didn't just make fertilizer and wait for somebody to come along and pick it up. They organized traveling schools to show farmers how to use it, and persuaded farmers to convert their properties into demonstration farms run according to TVA regulations and instructions."

"Sort of college-extension stuff?" said Mary.

"You might call it that. Certainly extended, all right. Last year they were supplying more than thirty thousand privately owned demonstration farms in thirty-six states."

"But, John, doesn't all this wild-life stuff and planting and demonstrating cost a lot of money?"

"Sure it does," interrupted Mary. "But you can do a lot of wild living on a billion dollars."

CHAPTER 3

"NEVER UNDERESTIMATE A WOMAN"

In which Father Tait gets by-passed, and Mother Tait and her daughter go out gunning for facts.

"THERE'S a catch somewhere!"

"You bet there is, Mother."

Either Lovina and her daughter didn't care how much I heard of what was going on in the kitchen, or they were counting on my bad right ear.

"I may be dumb," continued Mary, "and I don't suppose I'd give a darn if it weren't for Steve and his job. But I ask you: If this TVA that Father thinks is so wonderful goes in for all this extra stuff like landscape gardening and preventing cruelty to animals and building motor highways and

deepening river channels and making bathing beaches and teaching school to farmers and things like flood control that they don't get any revenue from, how can they sell electric power cheaper than the regular companies?"

"They can't," said Lovina. "It doesn't make sense."

"Of course it doesn't, but Father says it does."

"Father! Look here, Mary, your father's all right. He means to be fair, but he's all hopped up by his trip. All he can see is those high dams."

"I know. Those TVA boys certainly did a job on him. They're salesmen, all right. But there are some things about this thing you can't laugh off. They not only claim to break even at what they say are lower prices than companies that are managed by businessmen can offer—which even you and I know isn't possible with all those charity things and other extra expenses—but they claim to make a huge profit. Look at this headline Father showed me this morning:

'TVA NET FOR YEAR WAS $14,116,000.' "

Mother looked at the paper and read the article all the way through. Then she said:

"What was it the fellow said in that picture? 'Maybe the whole thing is a typographical error.' "

"No. You can't blame it on the newspaper. There's a profit, all right, or at least Mr. Lilienthal seems to think there is, for read what he says: 'At the levels of the past five years it will take only thirty years to repay Uncle Sam the total power investment. . . .' He wouldn't say that if it wasn't true."

"Oh, I don't know."

"You don't doubt his word?"

"No, but maybe he just isn't good at figures."

"Don't you worry, he's a shark at figures. You can see that from his book. And he believes them, too. You can tell he's a sincere man. But there's something about all this TVA pub-

licity—you see it everywhere, in newspapers and magazines—that just doesn't ring true."

"The government wouldn't send out a lot of stuff that told lies."

"I don't say it's lying. But I'll bet my next fall's permanent that it isn't telling the whole truth. There's something they're holding out on us, and I don't like it. I smell a rat."

Lovina wiped the last pan and set it down hard.

"Maybe," she said, "it's the fertilizer."

Ed Sanderson was one of those big comfortable men that grow in small towns, and grow up with them. Fifty-odd, I suppose, and a little on the plump side, but strong in body and mind. I remember Ed when he was only a "clumb some." That's what they call those apprentice linemen that hop from pole to pole like the daring young man on the flying trapeze, only they don't have any nets under them or anybody to give them a great big hand when they finish their act. Well, Ed "clumb" plenty, stormy days, black nights, and all, until, first thing you know, he was president of the whole darn company—the local electric company, I mean.

I guess that's the way most of the big men in the electric companies came up. Someone has said you can't make kilowatt hours with theories, you've got to learn how by growing up in the business. That's the American way. Do a better job and you get better jobs to do. The system is simple, but it works. It certainly worked in Ed's case, for after some thirty years of it, he not only was head of the power company but one of our town's leading citizens.

Ed has a son not much older than our Andy who was wounded pretty badly somewhere in Germany. I knew he was terribly worried about him, but he never let on. He had the same big smile for his friends and the same willingness to work in every good cause to help the war along, and I don't mind saying I was mighty glad to see him sitting there

in the living room with the folks when I came home from the shop. I didn't even mind that he was sitting in my favorite chair, and if he had dropped in to sell me some more war bonds or get another subscription for the Red Cross, it was all right with me. That's the way I felt about Ed Sanderson. But I soon saw that the only war he was interested in at the moment was a private one—between me and my womenfolk.

"John," he began, "I understand you've been down in the Tennessee Valley."

I looked from Mother to Mary and back again, but they were both busy studying the pattern of the carpet. I knew the girls were putting something over on me. I knew their ways. They didn't fool me—much. And tonight their trying to fool me didn't matter. Their puzzling over the pattern of the carpet was silly, because they saw it every day and knew it like I knew my name, and it wasn't a very complicated or interesting pattern anyhow. But if what they were trying to do had brought Ed Sanderson in tonight, O.K. I had some questions I'd like to ask him myself.

I hadn't taken what Mother and Mary said very seriously. Women don't understand about business. At least, that's what I was brought up to believe. But what bothered me about *this* business was that I didn't altogether understand it myself. I knew I couldn't spend a lot of money in *my* business on charity and recreation and good works, no matter how much I'd like to, and still meet my payrolls and pay my taxes and the interest on my loans at the bank.

Then, how could the TVA do it?

I didn't agree with all the kitchen gossip I'd overheard. I didn't smell a rat, or even fertilizer! Perhaps my nose was going back on me as well as my ears, but with a little help from the bifocals, I could still read, and it was certainly true that they did claim to do all they did and still make a profit of fourteen million dollars a year. That was a lot of money for any business to make, and I honestly didn't see how they

did it, what with protecting wild life and running demonstration farms and showing Russians how to build powerhouses and all.

Moreover, it was an absurd amount of money for any business to make on a turnover of only thirty-five million dollars, which was approximately TVA's total 1944 revenue from the sale of its power. Fourteen millions are about 40 per cent of thirty-five millions—and the days when any business can turn 40 per cent of its annual income into profits have long since passed. In the present state of the public mind—a state to which the proponents of schemes like the TVA have contributed in no small degree—such a showing in a regular electric-power company would be an occasion for a Congressional investigation. Or in any other company, for that matter. It just isn't done!

Claims to any such earnings, judged by any accepted business standards, were obviously ridiculous—but what worried me most was that statement of Mr. Lilienthal's about paying the government back.

After all, I'd been to grammar school, and I knew that even fourteen million dollars' profit every year for thirty years, if it was true and no matter how it seemed to folks like me, wouldn't pay back a billion dollars in thirty years. It wouldn't pay back half of it—say nothing of interest on the money. You didn't have to be a Beardsley Ruml to figure that one out.

I wasn't relying on any one newspaper item, either, or any one year's report. I'd come out of the valley staggering under a pile of TVA "literature" almost as high as that forty-six-story dam, and a lot of it said the same thing that this newspaper story did: that the TVA was a profit-making venture and that all the taxpayers' money that had been spent to build those dams would be paid back—*was, in fact, being paid back.* "Returned to the United States Treasury" was the phrase they used. Surely, the government wouldn't lie about

a thing like that—you know, spend all that money and not tell the truth. Anyhow, Ed Sanderson would know about those things, so I said:

"Yes, Ed, I made a little trip."

"So did I. A month's trip, mine was—the first time I'd been away from my desk since the war began."

"You've been pretty busy, I guess."

"I guess *so!* We've had a lot of bad weather these last few winters, and it's kept our boys on the run. Professor Bowers over at the college called me up the other night, after that bad storm, and told me that one of our trucks came charging into his driveway less than ten minutes after his lights had gone out and his oil furnace had signed off. 'How'd you do it?' he asked. 'That's a military secret,' I said."

"Professor Bowers?" said Mother. "That's that nice young man Andy's so fond of."

Ed Sanderson chuckled. "Sure it is," he said, "and nice young fellow he is. What gave me a laugh, though, was that he's the boy who's been teaching all that socialistic stuff over at the college, telling youngsters like your Andy that electric companies are the scum of the earth, almost as bad as Republicans, and here he was, when his own house went dark and threatened to go cold, testifying to the value of the thing these theorists never take into consideration."

"The old 'know how'?" I suggested.

"Yes, the old 'know how.' That's what makes our poor old electric companies that operate under experienced business management able to produce eighty per cent of the American electric power that has been used to win this war. You don't get that sort of thing out of books, no matter who writes them, Lenin or Norman Thomas or who have you. But the Prof's all right so far as he knows, and he knows more than most about these government power projects. He had some kind of job down in Washington that had to do with them. I don't know what it was. He's not an engineer."

"Maybe," sniped Mary, "he's a public-relations counsel."

"He might be, at that. He's smart, and they've had some pretty smart boys feeding the press with all this dope about the TVA."

"You mean the profit they make?"

"Lord, no! That's all baloney. There isn't any profit, and there won't be. Anybody who knows anything about the electric business knows that. But there *is* socialism. And you remember, John, what Lenin is reported to have said about that?"

I didn't. It wasn't the thing to know what Lenin said in my younger days.

" 'State socialism,' Lenin is quoted as saying, 'is electricity plus bookkeeping.' And, believe me, these electricity boys in the TVA are some bookkeepers! But we won't go into that now. What gets me down is the stuff they feed the public about the whole TVA proposition. It was their high-pressure publicity campaign that made me take the time off to look over these projects. I needed a rest, anyway."

"Sort of a busman's holiday, wasn't it?" I said.

"In a way. I went out to the Coast to see Bonneville and Grand Coulee, and down South to see Boulder."

"They must be wonderful!"

"They are, John. I'm as crazy about dams as you are."

"How'd you know I was crazy about dams? Did Mary tell you?"

"Everybody's crazy about dams, John."

"Have you seen the TVA ones?" I asked.

"Yes, and they're beauts! I spent most of my month in the Tennessee Valley, because, frankly, in spite of the thousands or millions of words I had read about them, I couldn't understand why they were there—and I don't yet."

"You're a steam man, Ed. You're prejudiced against hydroelectric generation."

"John's got all the long words, hasn't he, Lovina? But he's

got me wrong on the prejudice thing. Why, we have a little dam of our own upriver. You've seen it. Didn't cost much to make because the river's narrow there and not too deep. We keep it running all the time—it doesn't cost much—and its extra power is sometimes useful in the peak hours when our regular plants are undergoing spring cleaning, but of course it isn't a steady source of power any more than big dams are."

"Why, according to this literature, the big TVA dams . . ."

"I know. I've read it a thousand times. According to what their propaganda says, we couldn't have fought the war without TVA, but according to the cold hard facts the TVA itself had to be helped out during the 1942 drought in the Southeast by the very kind of company it had been trying to put out of business. Mr. Lilienthal's beautiful high dams may be able to control floods—although there is grave doubt in scientific circles on that point—but they can't control droughts any more than dams built by regular power companies can. God still has something to say about that."

"Ed, you're blaspheming," protested Mother.

"I'm not. I'm speaking God's truth—not ignoring Him as some of these high-powered publicity boys would have us do. But, as I was saying, dams are all right in their place. Boulder's like that. There's some excuse for it. It cost a lot, and it doesn't pay all the taxes regular electric companies pay so its competition is unfair, but it does a lot of good, not so much in making power, because the regular companies were entirely capable of taking care of all the power needs on the west coast, even in wartime. But Boulder has other legitimate uses. It irrigates the land and all that. Irrigation's a big need in the Southwest, you know. Unfortunately from the standpoint of farmers north of the border, Boulder also irrigates Mexican farmland and makes competition more difficult. However, Boulder does do good and, as compared with TVA, is a defensible proposition.

"There are good reasons, too, why the regular power com-

panies in the Northwest have frequently preferred water power to steam power. Coal is a long-haul, expensive proposition out there. Of course, the companies were taking care of all the business there was with their own dams before the government butted in with Bonneville and Grand Coulee. Nevertheless, the fact that it was naturally a hydro country, where water power was fairly inexpensive, made it easier to get appropriations out of Congress. Out there, dams, if they are built on a sensible basis, make sense. But in Tennessee, with all the coal you want for the digging, the kind of dams TVA has built don't make much of anything but debts."

"And profits," I insisted, "fourteen millions a year."

"John, you're a businessman. Do I have to show you why the TVA doesn't make fourteen millions a year or one million or one cent?"

I can be stubborn on occasion. "Yes," I said, "you do."

"O.K., then, I will."

And, as you will see, he did.

CHAPTER 4

TWO AND TWO MAKE FIVE

In which Old Man Tait learns that there is a lot more to arithmetic than is ever taught in school.

ED SANDERSON pulled out of an inside pocket a worn leather wallet that looked as if it might have done service ever since the boy Eddie had started collecting cigarette pictures of Madge Lessing in *Jack and the Beanstalk*. Now, besides a Selective Service registration card and a few crisp dollar bills, it contained mostly newspaper clippings.

One of the latter, worn like the wallet, told of the appearance of one of my favorite authors before the House of Representatives subcommittee in charge of deficiency appropriations. I put on my glasses. The date of the clipping was 1936.

"You will note," stated Mr. Lilienthal, "that we expect power revenues to liquidate the entire investment in fifty years and to be on a self-supporting basis soon after the construction period is over."

A second clipping, much younger and fresher, contained the statement by Mr. Lilienthal about repaying the total power investment in thirty years "with net income remaining after operating expenses, depreciation, taxes to local agencies and other costs."

Ed wasn't hurrying me. He gave me plenty of time to read and digest what he had shown me, before he asked:

"See any difference between those two statements?"

"Sure I do. The TVA's doing a lot better than Mr. Lilienthal thought it would in 1936."

"That your impression, too, Lovina and Mary?"

The two women read carefully, and reluctantly agreed that it was.

"Yes," continued Sanderson, "and I'd be willing to bet that it's the impression of ninety-nine and forty-four-one-hundredths per cent of all the people who read them. As a matter of fact, just the opposite is true."

"Why, it's perfectly clear," I protested. "Eight years ago he said we'd get all our money back in fifty years. Now he says it'll be only thirty years."

"Look, John," said Ed with elaborate patience, "you've been to school. You can read. As a matter of fact, you've had a lot more book learning than I've had—I started to work earlier than you did because I had to, and most of what I've learned I learned from experience—but even I can see that in 1936 Mr. Lilienthal was talking about paying back 'the

entire investment,' and in 1945 he's talking about paying back 'the total power investment.' "

"Why shouldn't he? It's the same thing."

"That's what *you* think! And what anybody would think, who thought about it at all, unless he knew the facts."

"What *are* the facts, Mr. Sanderson?" That was Mary playing dumb—as if I didn't know she and Ed had rehearsed their act.

"Well, back in the early and middle thirties, when the first few hundred millions were being extracted from Congress—which means, of course, from you and me, John—for this Tennessee Valley experiment, statements like the one in this old clipping were repeatedly made to Congressional committees and in the public prints. It was on the basis of those statements that the taxpayers' money was obtained. I daresay the statements were made in good faith. Social experimenters, whatever their faults, are habitually optimistic. They kid themselves as much as they kid other people."

"Only it doesn't cost them so much," said Lovina, "as it costs the other people."

"Well, no. Optimism about what will happen to somebody else's money is a notoriously inexpensive form of pleasure. There comes a time, though, when even the social experimenter has to face certain facts. The possibility of paying back 'the entire investment' in TVA in fifty years or in a million years very soon loomed up on the Tennessee horizon, not as an expectation or even a hope, but as a mirage. That was the point where bookkeeping had to be added to electricity to justify state socialism."

"You don't mean to charge that they falsified their books?" I protested indignantly.

"I'm not charging anything. I'm supposed to be quoting Lenin. He was an able man, and a shrewd one. He is said to have been among the first to recognize that electricity is the basic industry that makes all other industries run. You may

remember a very entertaining story called *What Makes Sammy Run?* Well, if you substitute Uncle Sammy for Sammy, the answer to that question is electricity. Lenin knew that. So did a lot of Lenin's disciples in America—I can give you chapter and verse for that any time you ask for it—and so, which is more immediately important, did a lot of people in high places in Washington, who perhaps didn't know they were Lenin's disciples, and certainly wouldn't have admitted it. They knew, too, or they soon learned after they started on this TVA socialistic experiment, that the second half of Lenin's alleged equation was as important as the first. There had to be bookkeeping—and there was."

"Father," said Mary, "I may as well admit that I went to see Mr. Sanderson and—"

"Your father's no fool," laughed Ed. "He knows you put me up to butting in here tonight."

"I didn't put you up to anything, Mr. Sanderson. I just told you that neither Mother nor I could see how TVA could go in for all that fancy stuff Father told us about and still make money."

"It isn't all fancy stuff, Mary," protested Ed, with a sincerity in which I was in entire agreement. "I believe in flood control, for example, as much as any other American citizen, and in soil conservation, too. The fact that I am in the electric business doesn't blind me or any of the others in my line of business to what is good for the greatest number of people in this country of ours. Our stockholders may lose a little immediate money on the proposition—although there is no reason why we should if the government played fair with us and sold this incidental power at the dams to existing companies under regulations that made sure consumers got all the resulting savings—but, in the end, what is good for all the people is good for us."

"I'm surprised to hear you talk like that, Ed."

"You'd be surprised at a lot of things we electric-power

men have said and done about this thing. The trouble is that nobody ever hears what we say or knows what we do. We have no government publicity agents to write our stuff and no presses and mimeograph machines to print it and no free postage rights to send it out and no newspapers to print it as news the way they do everything that comes out of Washington or from any government agency. We have been held up as man-devouring monsters by this unequal and unfair division of publicity, but we aren't that, as an industry, any more than I am as an individual. You believe that, don't you, John?"

"I believe *you* are all right."

"Thank you. That's because you know me, and if you could know the other men in my business as I know them, you'd believe it of them, too. They're human beings. Some of them may be scallawags, I know. That goes for any business. But the solid majority of the men in our industry—the ninety-nine and forty-four-one-hundredths majority, I believe—are good citizens like—"

"Like you, Ed," said Mother.

"Well, Lovina, if you say so. Anyhow, we heartily endorse a lot of things the government is trying to do that directly or indirectly affect our business. All we ask is honesty in stating the government's objects and honesty in telling the people what it costs and why they have to dig into their pockets to pay for it."

"Go ahead," I said, "you've got the audience here that you say is denied to you—a small one, I admit, but one that is willing to listen."

"Thanks, John. I feel like a buttinski. I came in this afternoon, I admit at Mary's suggestion, to try to straighten you out on what seemed to her, and also to me, mistaken ideas about TVA finances. But now that you have raised the point of the electric companies' attitude toward some of the good

things the TVA is trying to do, I am quite willing to meet the point.

"Personally, I believe, however," continued Ed, "that you can't get *effective* flood control and *dependable* electric power from the same dam, at least, at anything like reasonable expense. To be both economical and effective, a dam must be planned for one purpose or the other, not both. You don't have to be an engineer to understand the reasons why. Reservoirs must be kept almost empty to catch and hold back angry water in time of flood. Reservoirs must be kept well filled to insure a steady fall of water for power production. Compromise dams do neither job efficiently—unless you build them so high that the cost becomes as monumental as the dams themselves. Even then, to assure both safety and power, they must be operated with almost superhuman care and discretion.

"Dams built and operated primarily for flood control may be very effective, as they have been in Ohio's Miami Valley. Dams operated for two purposes, power and flood control, may increase flood dangers as they did in Oklahoma's Grand River Valley in 1943, when a swift-racing flood came at a time when the reservoir was full of water for power purposes. Of course, none of the flood water could be stored, and it caused the greatest damage in valley history and cost more than the cost of the dam. Have I answered your question?"

"You've certainly given me something to think about," I replied.

"Good! Thinking will never hurt you," he laughed. "Now we can go back to TVA bookkeeping and how they charge up—or how they don't charge up—the millions they spend on good works."

"O.K.!"

"Well, John, like most businessmen, you have demands made on you for charities—demands on your company, I mean—things like the Community Chest, Salvation Army,

Red Cross, and now all these new war things like USO and various kinds of relief. I know you have those demands, and I know you meet them. You are a good citizen, John Tait, and the company you manage is a public-spirited company. You never fail to come through."

"You ought to know," I laughed. "You're the guy that usually passes the plate—but with a good fat contribution from the electric company, I will admit, to start the collection."

"We won't go into that. The point is: what do you do about those contributions? I mean, on your books?"

"Why, I do what everybody else does. I charge them up to expense."

"And you think that's what TVA does about its anti-erosion campaign, and its flood control, and its motor roads, and its improving the channels in the river, and its teaching the farmers to use fertilizer, and all the other good works it talks about in what you call its 'literature'?"

"Of course. Why shouldn't they?"

"Because, if they did, it would tend to show up their whole social experiment for just what it is: a busted bubble."

"Financially, you mean?"

"Yes—and how!"

"Experiments may have other values, you know."

"I do know. And I'm quite willing to grant you that. Columbus experimented with an egg, and that's the way he got Isabella to pawn her jewels, and he made good on it, too, financially for Spain and socially and every other way. But Columbus's egg was a good egg, whereas, in my judgment, this TVA egg smells."

"Facts, Ed," I protested. "That's what I want—facts."

"Well, here they are. Your company and mine, John, are under government regulation, and we have to keep our books as the government tells us to do. But the TVA doesn't have to do that. The TVA *is* the government. It regulates itself."

"Facts, Ed," I insisted.

"I had to explain that much, John, or you wouldn't believe me. This was what happened: When the experimenters found that the fifty-year pay-back idea was too optimistic, they hit upon a new principle in bookkeeping. You could call it by many names, and a lot of pretty sore guys in my business have, but what the TVA boys called it was 'allocation.'

"You all know the meaning of that word, but none of you knows what it can do to a set of books if you haven't anybody over you to tell you how to keep them. This is how it works in the power business: The dams constructed by the TVA make available hydroelectric power. They also provide a navigable channel in the river, and afford, to a certain extent, a measure of flood control. Dams constructed by companies under business management for the purpose of developing electric power—like ours up the river—likewise provide a certain amount of navigability and flood control. But, like John's company with its contributions to good causes, we have to charge the whole expense of building and operating the dam to the expense of doing business. If we were building and operating the TVA dams, we would have to do the same thing. That's ordinary business practice, and it is followed by all companies that operate hydroelectric plants, including those immediately adjacent to the regions in which the TVA operates."

"And doesn't the TVA follow this accepted business practice?"

"No, John, when it comes to bookkeeping, the TVA doesn't follow any business practice. It doesn't have to, because it has no one over it, the way regular companies do, to regulate what it should or should not do. So it just allocates."

"What do you mean?"

"The dams the TVA have built are obviously power dams. If a regular electric company had built them, they would

have had to be charged one hundred per cent to the cost of producing power—and properly, for every dollar spent on them which also improves flood and navigation conditions in the valley also improves living and business conditions, and thus increases the consumption of electricity. But under the TVA's allocation scheme, so much is charged to flood control and so much to navigation, and only what is left is charged to power. That's what makes the difference between Mr. Lilienthal's 1936 statement that the government would someday get back 'the entire investment' and his 1945 statement that it would someday get back 'the total power investment.' And believe me, it's some difference!"

"Could be, Ed. Depends on who decides how much is to be charged to one thing and how much to another."

"That's where the joker comes in. The Authority decides. It is its own judge and jury."

"But how do they get away with a thing like that? They must have some firm of public accountants audit their books, and they couldn't conceal all this allocation business from them."

"They do have a firm of certified public accountants audit their books, one of the best in the country, but in a case like this, the auditors can only certify to the correctness of the books as the client chooses to keep them. This is what the TVA auditors say on this point in their 1945 report:

> "We are not in a position to pass upon the percentages adopted for the allocation of the investment in multiple-use facilities and of common expenses."

"What are those percentages, Ed?"

"Well, the scheme is a little complicated, but the result is simple enough: In figuring the amount of their power investment, there's approximately one dollar out of every three that they just don't count. You'd be glad to do that in your business, wouldn't you, John?"

I said nothing, but Mary fairly gloated over the collapse of my side of the case, or apparent collapse.

"So that," she said, "is what the TVA means by allocation?"

"Yes, Mary, to the TVA boys the verb 'to allocate' means 'to forget.' That's what they do in this so freely distributed 'literature' of theirs. And I mean freely, John! They 'forget' approximately a third of the taxpayers' money they are spending to get into the power business—and to stay in it—whether it's constitutional or not."

"But that isn't fair!"

"Of course it isn't—either the elimination of the sum from their power costs or their failure to make clear to the people just what they are doing. But it helps to accomplish the real object of the so-called social experiment."

"Which is?" asked Lovina.

"The complete socialization of business, beginning with electricity—because that is, as I have explained, basic—and then going on to coal and shoes and clothes and bread and everything else, until we have a totalitarian national socialist state like the one we've been putting down in Germany."

CHAPTER 5

PRINCIPAL WITHOUT INTEREST

In which the Taits learn things about banking that the late John Pierpont Morgan never knew.

"So THIS allocation business is why you say it isn't true to say that the TVA makes money."

"That is the first reason, John," replied Ed, as he dipped again into that capacious old wallet. "The arbitrary decision

to 'forget' one out of every three dollars they spend on the ground that the dams they build do improve the navigation possibilities of the Tennessee and afford some measure of flood control—while competing companies in near-by regions are prevented by law from 'forgetting' similar amounts on similar grounds—is obviously unfair, and the failure to tell the people whose money they are spending that this is the case is unfairer still. At least, it seems so to me."

"You are an electric-company man, Ed," I said.

"Yes, and you think I am prejudiced. Social experimenters, you think, may be able to explain that inequality away. Maybe they can. I am sure they will try to. Why don't you ask Andy's friend, Professor Bowers? He'll have an answer that'll have you all twisted up in no time, John—and me too, for that matter. We're just plain businessmen, John. We don't know all the ins and outs of social experiments. But there are some things that we do know because we *are* businessmen, and this is one of them—which even the TVA admitted in one of its reports to Congress. This excerpt I have here is from its annual report for 1941:

> "If the Authority's power program is to be self-supporting, therefore, power revenues must cover all costs associated with the production of power, including depreciation and interest on 65.8 per cent of the total investment."

"That seems clear," I said.

"It *is* clear, and it is in the TVA's own words. To be sure, it contains the fallacy that a third of its investment, and, therefore, one-third of its fixed expenses, can just be charged off to good works and forgotten, but it does admit that at least that portion of their expenses which they arbitrarily allocate to power, together with the ordinary business allowances for depreciation and interest, must be covered by power incomes before the TVA can be considered self-supporting,

say nothing of a profit-making organization as they now claim it to be."

"What is depreciation?" asked Mary.

"Depreciation, Mary, is bookkeeping lingo for wear and tear. You know how it is when you buy a broom—"

"We use an electric vacuum cleaner most of the time," remarked Mother.

"Good girl, Lovina," laughed Ed. "You certainly caught me there, and me an electric-company man, too. But whenever you do buy a broom, you know that it won't last forever, and if you were a wise businessman, you'd set aside a little money every month so that when the time came, you'd have the money ready to buy the new broom that sweeps clean. If you were in the electric-power business, whether you were wise or not, you'd be required by law to do that with everything you bought or built—machinery, plants, poles, wires, dams if you have any—on the theory that no matter how good they are, they'll all have to be replaced or at least repaired in time. It's good sound business practice, and every honest businessman follows it."

"Doesn't the TVA follow it, too?" This was the Old Man still fighting for his conversational life.

"Up to a certain point, yes. On their books they allowed over twenty million dollars for depreciation during its first ten years' operation."

"Well, that was fair enough, wasn't it?"

"I daresay it was. But here's where the joker comes in: When Congressman Kefauver of Tennessee presented to his colleagues a report on the achievements of the TVA up to its tenth birthday, the report included this twenty-one millions, which is simply a part of the cost of doing business, as part of the forty-four millions allegedly 'returned' to the federal treasury."

"Bookkeeping is too much for me," said Lovina.

"That kind of bookkeeping is too much for anybody!"

The way Ed put it, I certainly could not defend any such practice, but the forty-four million figure stuck in my mind.

"What made up the rest of the forty-four millions that were returned to the federal treasury, Ed?"

"Before answering that question I ought to remind you there weren't any forty-four millions or forty-four cents returned to the federal treasury."

"That's what *you* say!"

"That's what the Treasury Department says. So far as I have been able to find out, there isn't any entry on any of the reports of the Secretary of the Treasury that shows that the TVA ever returned anything to them or to anybody else. But answering your question, this report to Congress—which, of course, had the widest possible publicity—*said* that the rest of the money returned to the federal treasury was made up of 'net income.'"

"Well, that part of it was legitimate, then."

"Legitimate, if true. But the fact is that the TVA has no net income. I'm not talking now about their failure to charge up a third of their actual expenses to their power operations. Give them that advantage which no business-managed power company has, and still there's no net income. You know what the term means, John?"

"Of course. Net income means income after operating expenses and interest charges."

"Right! That's what it means according to standard accounting practice applicable to all businesses and specifically prescribed for electric companies by the Federal Power Commission, but this TVA baby, this federal power agency competing with electric companies that are under federal regulation, doesn't pay any interest at all."

"That isn't true, Ed. I read somewhere that it paid over six hundred thousand dollars in interest last year."

"That's a lot of money," said Mother.

"Not in TVA language, Lovina. It's a mere bagatelle com-

pared with what the government—and, of course, ultimately the taxpayers—had to pay in interest on the money that the TVA spent, and is still spending. But first let me explain that six-hundred-thousand-dollar item. In the late thirties it became obvious to everyone that the TVA was building so many dams that it couldn't possibly dispose of all the power it was making unless it duplicated the facilities of the regular companies already supplying the region which it had chosen for its market. The companies, faced with this duplication, which would, of course, mean their ultimate bankruptcy, had no alternative but to sell out to the TVA.

"Congress had previously authorized the TVA to issue fifty million dollars' worth of bonds to obtain money to loan to municipalities and co-operatives in an attempt to build up a market for the TVA's rapidly increasing power, and now they authorized the same procedure to cover the purchase of the competing companies which were being forced out of business. These bonds the United States Treasury bought, and on them the TVA does pay an exceedingly low rate of interest. This gives the social-experiment boys the chance to use the word 'interest' in their literature, and create the impression that they pay interest just like anybody else. But it's a phony, John, it's a phony."

"Why?"

"Because the rate of interest they pay, when they pay any, is so low, and the grand total of those bonds on which they do pay interest is so small compared with the total amount of money that Congress has given to them 'requiring,' as they now say, 'no return of interest,' that the interest they really pay, when spread over two-thirds of all the money they use —that's forgetting one dollar out of every three on the allocation principle—amounts to only nine-one-hundredths of one per cent. You'd like to borrow money at that rate to run your business, wouldn't you, John?"

I had to admit that I would.

"So would I. Stockholders in my company—in fact, all stockholders who invest their money in the electric-power business except in these politically managed power businesses—consider six per cent only a fair return on their money. But we won't hold these social-experiment boys to any such rigid rates as govern all the rest of us. Suppose we allow them to take full advantage of the government's ability to borrow money cheaper than business can. That cheapness is based, of course, on the government's unlimited power to tax. Give them all that—to which, as a competing commercial business, they're not entitled—and what do we get?"

"What *do* we get, Ed?" asked Lovina.

"We get the fact that if the TVA had paid two and one-quarter per cent interest on even two-thirds of the money which the government had borrowed at that rate to allow them to make their power experiment, they would have paid last year not six hundred and fifty thousand dollars in interest but fifteen million, five hundred thousand dollars—and that wouldn't take care of the accumulated unpaid compound interest taxpayers are paying on money Uncle Sam is borrowing to pay the interest TVA fails to pay. This item already amounts to sixty-seven million dollars."

"Gee!" Mary exclaimed.

"Gee, and gee whiz! That's what I say, Mary. Do you realize that by the very most liberal computation, allowing these boys their own arbitary allocations and the government's advantage in borrowing money at a low rate, they paid last year less than one-twenty-fifth of the interest they should have paid? The nation's taxpayers footed the rest of the bill."

"But that net-income figure the Congressman spoke about which made up the rest of the forty-four millions must have been twenty-two or twenty-three millions," I insisted.

"Hell, John, that twenty-two million figure was for ten years—the result of not paying proper interest and taxes. The

fourteen millions and more that they're failing to pay is for *one* year."

Ed Sanderson is a good talker. He has that quality which I understand is so important to every orator: timing. So I wasn't surprised when he didn't follow up the advantage he had gained by his truly amazing revelation of how TVA kept its books. Instead, he deliberately relapsed into neighborly chitchat as to how was Who's This and what was the matter with What's Her Name. But he didn't put his old wallet away.

Meanwhile, my dull old mind was troubled. If Ed's figures were correct, and I knew him well enough to know that they probably were, TVA had failed to earn its interest charges, even at the low government interest rate. When an American business fails to earn its interest charges, it is bankrupt. TVA is in the power business, *is* a power business. So, by accepted American standards, it has been bankrupt since the first year of its operation. Certainly "government in business" has no right to cover up its losses and pass them on to the taxpayers. And that, apparently, was just what the TVA was doing.

Ed Sanderson watched me out of the near corner of his eye, and when he figured I had had plenty of time to digest what he had been saying, he pulled out of his wallet another clipping which recorded the remarks of Mr. David E. Lilienthal at a "Win the War" rally at Mobile, Alabama, on July 28, 1942.

"The people of the United States," said Mr. Lilienthal on that occasion, "will shortly have invested in the various installations of the TVA approximately a billion dollars."

"Do you realize what that means?" asked Ed.

"I realize it's a billion dollars," I said.

"Yes, that's right. The figures I've just been giving you show that the interest due on the money TVA has already

used—or, rather, on only two-thirds of what it has used—and allowing it the full advantage of the government's rate of interest, which is less than half of what other people have to pay, more than wipes out all of the *net* income TVA claims to have. Those figures were based on the investment up to 1943, which was about seven hundred million dollars. But when the investment reaches a billion dollars—which Mr. Lilienthal says will be 'shortly'—the interest due and unpaid on that amount of money will wipe out not only TVA's net income but practically all of its present *gross* operating revenue."

"That means all the money they take in?" asked Lovina.

"Yes. Net income is *after* operating expenses and interest charges have been paid—at least, it is on everybody's books except the TVA's. Gross operating revenue is *before* any expenses of doing business have been paid. I mention the fact simply to emphasize how silly it is to claim that the TVA is a profit-making organization—or ever can be, unless it about doubles the price of its electricity, which would make its rates much higher than electric-company rates. This, of course, it can't do without admitting that it is a colossal failure, socially, financially, and every other way."

"In other words," said Mary, "TVA's a bust."

"You have the courage of youth, Mary. No one has dared say that before. In public, I mean. The high-powered TVA press agents can send out all these pretty pictures of dams and lakes and all these half-truths about what is happening in the Tennessee Valley, and perfectly honest publishers of newspapers and magazines and books are so impressed—just as you were, John—that they tumble all over themselves to tell the story, because it's something new under the sun the way the TVA boys dish it up. It's news. It's the man that bit the dog. But if a solemn old ass of a businessman like myself steps out and tries to show, and succeeds in showing, that such things just cannot be, what he has to say—being

truth as old as the Ten Commandments—isn't news. He isn't the man that bit the dog. He's the dog."

"Have you finished?" I asked.

"John, as the old fellow used to say on the *Show Boat* program, this is only the beginning!"

"What more could there be?" asked Lovina.

"There could be," replied Ed, "a few words about taxes."

"What taxes?"

"The taxes TVA doesn't pay."

CHAPTER 6

FATHER GETS THE BAD NEWS

In which Steve's Boss, Ed Sanderson, tells the Taits a TVA bedtime story to end all TVA bedtime stories.

"You mean to say that the TVA doesn't pay *any* taxes?"

"Not a cent, John, not a cent. But don't blame yourself too much for not knowing that. A recent public-opinion survey showed that over sixty-five per cent of the American people didn't know that, either."

"But what's all this talk about 'payments in lieu of taxes'?"

"Talk, that's what it is—plus a little chicken feed to local tax collectors to keep them quiet. Naturally, when the TVA began putting out of business the regular electric companies in its region—companies which had been bearing their share of the tax burden—the local tax people began to holler. 'What do we care for your social experiment?' they shouted. 'We want cash to keep our states and counties and cities and towns from going bankrupt.' And naturally the local taxpayers got sore, too. One big association in Tennessee actually

got up courage enough to propose that 'TVA property be subject to taxation the same as everybody else's property.' "

"That sounds reasonable," I said.

"Sure it was reasonable, but it didn't fit into the plans of the social experimenters. Lovable old Senator Norris, known as 'The Father of the TVA,' whom everybody liked but who was very much of a realist when it came to protecting his pet child, spoke right out in meeting and said: 'If we go to that extreme, Senators can see that the TVA would be out of business in three months.' "

"So what happened?"

"Well, obviously, the social-experiment boys had to do something to keep peace in their own back yard, so they evolved the neat scheme of making certain fixed payments to some of the local treasuries. This enabled them to use the phrase 'in lieu of taxes,' which naturally created the impression among those who didn't stop to think that they actually were paying taxes when they weren't. Actually, they were paying much less than they would have had to pay if they had played the game according to the rules and paid the local authorities the regular taxes—the taxes the regular electric companies had to pay. And *they didn't pay any federal taxes at all.*"

This astounding news sobered all of us. It was unbelievable: one outfit paying money into the U. S. Treasury and another outfit in the same business not paying *any,* and actually taking money out of the United States Treasury. Finally, I broke the silence.

"What do your company's taxes run to, Ed?"

"Twenty-four and a half cents out of every dollar we take in, John."

"That's a lot," said Mother.

"Just how much it is I can show you in terms of your own electric bill. If our company didn't have to pay any federal taxes—which wouldn't be right, of course, any more than it

is for the TVA not to have to!—and if this saving was applied to household rates for electricity, we could reduce your bills by about forty-four per cent, which is equivalent to five and a quarter months' free service. And if we didn't have to pay any taxes at all—which is the position the TVA has gotten itself into, if we disregard the wholly inadequate amounts which they hand out to local people 'in lieu of taxes'—and the savings were applied to household rates, we could reduce your bills about sixty-seven per cent or give you eight months' free electric service."

"No wonder they can make those low rates they're always boasting about!" protested Mother, who had apparently also been reading up on TVA literature.

"Exactly," replied Ed. "If the good householders of Tennessee aren't getting at least half of their electric service for nothing, either the TVA is a very badly managed concern or somebody else is getting those savings or the people themselves are getting a rotten break."

"Perhaps the government is getting the savings," I suggested hopefully.

"Sorry, John, the government isn't getting a cent in any form from the TVA. That phrase 'returned to the United States Treasury' is pure bunk. If there is ever any cash on hand at the end of the year that is alleged to come under that head, it simply means that the social-experiment boys don't have to go back to Congress quite so soon for more money to experiment with."

I saw I wasn't getting anywhere along this line. Ed Sanderson had been studying this subject a lot longer than I had, and he had a good head for figures, which I hadn't. So I went back to the tax thing, which, being a taxpayer myself, I did understand. Or, until Ed told me what he did about the TVA, I thought I did.

"How do they get out of paying their federal taxes?" I asked.

"Yes," said Lovina, "*we* can't. How can the TVA?"

"They had to," laughed Ed. "They knew that if they did pay them, their scheme wouldn't work. As Father Norris admitted, they wouldn't last three months."

"So they just didn't?"

"Right, Lovina, you can do a lot of things when you are the citizen and the government, too. You remember that old song, 'Who takes care of the caretaker's daughter when the caretaker's busy taking care?' Anyhow, the TVA didn't pay the taxes it should—and it made a lot of difference to the national budget, too, and incidentally to your budget and mine. If they *had* paid them, and all the other politically managed and subsidized power projects had, too—which, of course, they should—the United States Treasury would have been some ninety million dollars richer last year. That would have been ninety million dollars that you and Lovina and Mary and I and people like us wouldn't have had to pay to help win this war."

"Do I understand that the TVA doesn't pay *anything* toward the war effort?" This was Mary, thinking of Steve.

"Not a penny. And neither does any other municipal, state, or federal power project—while the companies they're aiming to put out of business, and will put out of business if all these other TVA's go through, pay nearly two million dollars a day. Oh, I know most people don't care how much the electric companies pay—the more the merrier. O.K. But look at it this way: *Somebody* has to pay for outfitting an American army—boys like your Steve and my Ed and pretty soon your Andy—and it costs about two hundred and ten dollars per boy to do that, and the amount the regular electric companies pay in taxes to the federal government each year is enough to equip an army of two and a half million men."

"I guess that would make all the difference in the world between winning and losing a pretty important campaign, wouldn't it?"

"I wouldn't know about that," continued Ed Sanderson, "but it is certainly a contribution to the war effort that ought to have some consideration from the people down in Washington. I may be wrong—I'm only a plain businessman, not a social experimenter—but I should say it was just ordinary common sense in wartime to let an industry live that was capable of paying enough taxes to put two and a half million men in uniform, and was willing and eager to do it, too. For don't get me wrong, we're glad to bear our share of the tax burden. Right now, we're paying about as much per day to the federal government alone as the TVA, with their misleading 'in lieu of taxes' driblets to local agencies, are paying all told in a whole year. And, as I say, we're glad to do it. But we'd be gladder if we knew that our politically managed competitors were also paying the approximately hundred millions a year in taxes that they're getting away without paying now."

"I guess a lot of GI's would be gladder, too," said Lovina.

"Yes," agreed Mary, "when those boys get back and start asking these social-experiment fellows what they did in the Great War, the boys won't have to wait for an answer. They'll say, 'Hell, you didn't even pay your taxes!' "

Women, of course, are unreasonable. Especially young women. Certainly no girl in her twenties, even if she were married, would have said in my young days what Mary had said, and certainly not the way she said it. In the feminine vocabulary, when I was young, there was no such word as hell. But I have to admit that her remark, crude as it was, did as much to shake my belief in TVA's financial claims as all Ed Sanderson's figures had done.

I didn't know for sure, then, whether this failure to pay the ordinary taxes that I had to pay, and my company and all other companies run by businessmen had to pay, was enough to stand between TVA and a huge deficit. But somehow, just

at first, it didn't seem so important, except as it reflected on the character of the statements TVA put out about its own business and expected us to believe. What really threw me was the confounded unfairness of the thing.

Not that I was shedding any tears over what might happen to the electric companies of the country if this TVA sort of thing went on and multiplied the way the pigs did in that old story, "Pigs Is Pigs." Ed was right when he said that most people didn't care how many taxes they paid—the more the merrier. That attitude, I suppose, the companies themselves, or, rather, their predecessors, were partly responsible for. I wouldn't know. I wasn't on the inside. But I was always under the impression that some of them or some of the individuals connected with them pulled some pretty rough stuff back in the days of "Coolidge prosperity." Who didn't? The money was rolling in to everybody's business, large or small, so fast that all anybody needed in the way of management was somebody to count the daily receipts. My guess is that the electric companies of that gilded period weren't any better than the others.

But times had changed. We had government regulation now, plenty of it, especially of companies like the electric and telephone companies. The government regulated the rates they should charge and passed on all the securities they issued. If there was anything wrong with such companies now, it was jolly well the fault of the government itself. Either that, or all the speeches I'd read by Washington big shots, and heard on the radio, about the success of government regulation of business was just so much bull. In short, the electric companies, just like any other companies—my own, for instance—were entitled to what was known, in another era, not as the New Deal, but as the Square Deal.

Moreover, I was beginning to wonder if I, John Tait, was getting a square deal myself on this TVA business. I wasn't an electric-company stockholder, but I was a United States

Government taxpayer. If the TVA and other politically managed power organizations weren't paying their taxes, who was paying them for them? Well, I boxed the compass several times on that one, and every time the needle stopped at me—and it was a needle that did more than prick or scratch, it dug deep.

So, finally, I said to myself: "John Tait, the conclusion is inevitable. You and your family, and everybody else who doesn't happen to live in the Tennessee Valley, are saving and scrimping and going without things you really need to help pay the taxes the Tennessee Valley Authority ought to be paying, and isn't. And you aren't getting any of the benefits the Tennessee Valley people are getting out of it—the really good things, I mean, like flood control and lower electric rates (if they are lower), and lakes and bathing beaches and motor roads and planting. You aren't even getting fertilizer! What, for the love of Mike, are you getting out of it?"

I am sure I didn't say that last sentence out loud, but Ed Sanderson, who had been swapping neighborhood gossip with the womenfolk while I was doing my heavy thinking, must have read my thoughts, for he was right on the job with the obvious answer.

"Higher taxes, John, that's what you get, and will keep right on getting until the people of this country wake up and realize what Wendell Willkie meant when he said, 'The Tennessee River flows through five states, and drains the nation.' "

"Mr. Willkie was a fine man," said Mother.

"He was indeed," agreed Ed, who had known him well, "and a progressive man with modern ideas. He was no old mossback any more than Mr. Lilienthal is. But he saw through this TVA thing right away."

"I should think anyone would see through it," purred Lovina, with a look at me that said an eyeful.

"Me, too," agreed Mary. "Honestly, Father, after what Mr.

Sanderson has told us, do you think it's fair for the OWI, which is supposed to be helping to win this war, to spend the money of those of us who do pay our taxes to sell this TVA idea to the Albanians and the Hungarians and the Slovaks and the Serbo-Croats?"

Ed Sanderson's timing, I have already indicated, is good. He exited on Mary's line, as they say in the theater, laughing. But not until he had left with me another paper out of that capacious wallet of his, which showed more clearly than anything he had said how right he was in questioning TVA's claim to being a profit-making enterprise.

On this paper he had toted up the total "net income" claimed by TVA for the years 1941, 1942, and 1943.

The net income reported for these three years by TVA was approximately twenty-five million dollars, whereas, if it had paid interest on its investment at the government rate during these three years, it would have shown a net deficit, and if it had paid taxes and charged its developing and other business-promoting programs to expenses, as competing companies are required to do, the net deficit would have amounted to about forty million dollars.

In short, by applying ordinary business accounting methods to TVA, a highly publicized *alleged profit* of $25,000,000 turned into an *actual loss* of $40,000,000.

I didn't know the answer to that one, and I wondered if, by any chance, my friend Mr. Lilienthal did.

PART TWO

CHAPTER 1

SO WHAT?

In which Son Andrew's mentor, Professor Bowers, shows Father Tait just how old-fashioned he is.

THORNTON "THORNY" BOWERS was, as Lovina had said, a nice young man.

Thirtyish, I suppose, or he would never have rated an assistant professorship at the university, but I will say for him: he didn't look it. Those Northern Spy apple cheeks and that Golden Delicious apple tummy had me guessing. Professor Bowers might have been any age. One moment he was unquestionably a Della Robbia bambino; the next, he was quite as indubitably the late Alexander Woollcott. But without his sting—I mean Alexander's, not Della's. Thorny had no sting. He was just nice. And I didn't wonder that Andy liked him.

"Why isn't he in the Army?" asked my daugher Mary, who never seems to be able to forget that her honeymoon was bypassed to make a Hitler-Hirohito holiday.

"He wears glasses," suggested Mother, who is never one to allow ideology to obscure justice, and bless her for it, though it's sometimes annoying.

He did, come to think of it, wear glasses, the rimless kind, and they might very well account for his being back home shooting off his face to a bunch of schoolboys instead of shooting off jet planes the way my son-in-law Steve was doing in the far Pacific.

The Professor was for socialized industry—not only electric-power industry, but all industry, no matter how much it cost. And I, being notoriously a sap on the question of allowing every man to have his own ideas and state them, admired Thorny Bowers for his frankness.

Not everybody agreed with me, though. There had been quite a stink up at the college when the new Prof got his appointment. He hadn't had any teaching experience, really. After his own graduation, he had traveled a good deal in Europe, mostly in Germany and Italy, and for a time in Russia. Then he had come home and taken a job in Washington.

"What kind of job?" said Mary. "Or did I ask that before?"

Lovina, with that disconcerting suddenness of hers, popped out of her magazine with: "I was just reading about a girl who said she was 'in the data-analysis group of the aptitude-test sub-unit of the worker-analysis section of the division of occupational analysis of the bureau of labor utilization of the War Manpower Commission.' "

"I've heard funnier ones than that," said Andy sulkily. "Those Washington jokes make me sick."

"A joke, Andy, helped to make Henry Ford the world's greatest industrialist."

"So what?" said Andy. "What we want is a world where no one can make as much money as this fellow Ford made."

"Who's we?" I asked.

"We's me, I guess," said Thorny Bowers, who had rolled silently into the room on the ball bearings with which nature had provided him.

The fact that he had slipped into my own formula of grammatical forgetfulness instead of pulling some professorial reprimand on me was the type of thing that had made Thorny Bowers make friends and influence people.

"You see, Mr. Tait, although you and I like each other—I know I like you, and I rather think you like me—we are unfortunately at the far ends of a political and ideological equation."

"You're wrong, Professor. I have been defending the TVA against all my family, except of course Andy, and against Ed Sanderson, who is president of the local electric company and ought to know a lot more about such things than I do. I as-

sure you, Professor Bowers, I am looking forward, not backward."

"I think you are, Mr. Tait, and I admire you for it, but I think your glasses are still clouded by the mists of the past. For example, you are upset by the fact that, according to your standards of doing business, the TVA isn't making money, but is losing it—quite a lot of it."

"It is natural that I should feel that way. I have to meet my bills and pay my interest and taxes. It's hard to see why other businesses like the TVA don't have to."

"It *is* natural, Mr. Tait, and hard for all people of your generation. You've been brought up in certain traditions of what is sound and what isn't."

"And what is honest and what isn't," said Lovina.

"Naturally," he replied, "and it is hard for you to shake off the yoke of those traditions."

"Is honesty a yoke we should shake off, Professor?" persisted Lovina.

"Mother, you don't understand," interrupted Son Andrew. "If what the TVA says about its finances doesn't seem honest to you, it's because you are just an old pokey."

"A nice old pokey," I said.

"Sure, Dad, very nice," and he went over and smacked Lovina noisily on a salient just east of her nose.

"Andrew," said the Professor, "I think we can resolve this question without bringing the family into it."

"But it's the family, Professor Bowers," insisted Mary, "ours and millions of families like ours that are most vitally concerned in this matter. We are the ones that use the electricity and pay the taxes and, when necessary, go out and fight to defend our way of life which you say is so old-fashioned."

"All I was saying, Mrs. Fane, is that times change and men must change with them."

"Right," agreed Mary. "I am not the older generation.

I'm younger even than you are, and I'm willing to be as forward-looking. Really I am. But I find that even with changing times, certain things don't change. My man has to go out and fight just as his grandfather had to in 1861, and as his great-great-grandfather had to in 1776, and he's doing it for the same reason they did—at least, that's what he thinks: to keep us free and independent and able to look ourselves in the glass and not be ashamed because we've given up our freedom and right to independence to some governmental overlordship—call it by whatever name you wish."

Mary, I knew, was the articulate type. She never lacked for the quick crack, the crushing reply. But never had I heard her so solemn or so downright convincing. I watched with interest the effect of her thinking on the alert intelligence of Professor Thornton Bowers.

"I quite understand your feeling about the situation in which you and your husband find yourselves," he said. "I am most sympathetic to your entirely understandable reaction to it. But I must insist that it is entirely a personal matter—that it should not be allowed to interfere with the larger view."

"Doesn't the fact that some twelve million American boys of your age and Steve's are out there fighting for what they have been told are American ideals—doesn't that appeal to you as very definitely a personal matter? At least, shouldn't it? You and I belong to the generation which must share the future with those boys. They and what they are going through seem to me definite factors in what you call the larger view."

"They will be, daughter, don't worry about that," I said, "but meanwhile don't forget that Professor Bowers is our guest."

"That's all right, Mr. Tait," laughed Thorny, his most disarming twinkle shining through the rimless glasses, "I've been called worse things than Mrs. Fane, by implication, has just called me. I have even been called a New Dealer."

"Aren't you?" I asked, in quite honest surprise.

"Yes and no. I voted for Roosevelt, of course, and would vote with much greater enthusiasm for Henry Wallace. If that makes me a New Dealer, I am. But I have no real use for the so-called New Deal except as a first step toward the realization of the complete defeat of the forces for which you, Mr. Tait—and I say it with all due respect—have the misfortune to stand."

"Well, I'll be—" began Lovina.

"That's all right, Mother," I said, "we knew before Professor Bowers came here that he held—what shall we say?—advanced views."

"But not advanced beyond the New Deal—"

"Mrs. Tait, the New Deal isn't very advanced—except, of course, in this matter of taking over the electric-power industry. As Norman Thomas put it, the TVA is the only genuinely socialistic project in the New Deal—a beautiful flower in a garden of weeds."

"He also said," I added, "that the TVA exemplifies what socialism might do, and the technique it would use in the process."

"Good for you, Mr. Tait! I see you have been giving yourself a good course in progressive reading. I believe Norman did say that, and he was quite right. Compared with the importance of having that truth demonstrated, a little item of profit and loss becomes just a matter of bookkeepers."

"A sixty-five-million-dollar bookkeeping oversight as compared with just a Norman Thomas opinion," I protested, "that's rather hard even for me to swallow, Professor."

"Who is this Norman Thomas?" asked Lovina. "Is he the one that's always running for president?"

"Yes," said her daughter, "and never getting more than about one per cent of the votes!"

"Well, what does he know about bookkeeping?" said Mother.

"He doesn't have to, Mother," said Mary. "He's a social experimenter."

"Yes, Mrs. Fane—"

"Call her Mary, Professor. She's only my sister."

"May I?"

"Of course."

"O.K., I'm Thorny."

"That's going to be harder," laughed Mary. "But what were you going to say—er—Thorny?"

"I was going to agree with you."

"And with Lenin?—electricity plus bookkeeping making socialism?"

"Yes, and you both ought to feel complimented, because Lenin, in my opinion, is the greatest man the world has produced since Karl Marx, and you—well, I can tell from the intelligent things you have said, you are many things besides 'only' Andy's sister."

"That ought to hold you for a while, Bright Boy."

"Cripes!" said Andy, whose conception of brotherly love was never on the saccharine side. "Don't let her fool you, Professor. She's just a girl."

"She isn't fooling me, Andrew."

"I know I'm not, and I'm not trying to. But you aren't fooling me, either. I know you don't really agree with what I've been saying."

"No. But I agree with you about Lenin's alleged statement —and I agree with Lenin."

"And with Marx?"

"Absolutely."

"Yet you've been working for a government and—if you don't think I'm too rude—taking money from a form of government that the followers of Karl Marx hope to overthrow."

"Yes, Mary, and I'm now working for, and taking money from, a state college to the support of which your father and

many other taxpayers who disapprove of me heartily are regularly contributing."

"Do you think that is fair?" asked Lovina.

"On the principle that the end justifies the means—yes."

"Well, you're honest about it," I said.

"Honest about being dishonest, eh? I suppose that's what you're thinking. But better men than I am have acted on the principle that I have just proclaimed. Take the late Senator Norris. You'll admit he was a fine man."

"I didn't always agree with him," I remarked, "but I did think he was a man of high principles."

"He was, but if he hadn't been a realist and compromised with those principles—in a few unimportant details, I mean —we might never have had a TVA."

"That would have been just too bad."

"Mary!"

"Well, we'd have had nearly a billion dollars that we haven't got now. Even the Professor—Thorny—will admit that."

"I admit nothing," laughed Thorny. "I wouldn't know a billion dollars if it walked up to me and tapped me on the shoulder, and I don't believe you would, either. That sort of thing, as I have said, is just bookkeeping."

That was too much for me. Even in these alphabetical days I was still in the uneducated state where a billion dollars was a billion dollars.

There was a little silence, then, sort of a breather, but Thorny, blithe as ever, broke it:

"We were talking, I think, about Senator Norris."

"Yes," said Andy. " 'The Father of the TVA.' "

"The stepfather, Andy, and a very able and patient stepfather for nearly a decade before he got his bill through Congress, but the Socialist Party, as I could easily show your father, had been working on the proposition long before Senator Norris won his fight. As a matter of fact, the original

bill introduced by Senator Norris in 1924 was drawn at the instance of the Public Ownership League, which I am proud to say was under the direction of a leading member of the Socialist Party.

"The bill called for a commission with very broad powers. It related to no particular area but to the entire United States of America. Its purpose was not only to construct, own, and operate a superpower system over the whole country, but also to own and operate coal, oil, gas, and other fuel resources, transportation facilities, pipe lines, canals, and the like."

"What about flood control and navigation?"

"They were mentioned only briefly in Section Nine, which said that 'The commission shall . . . manage its projects with a view to considering the functions of flood control, reclamation, navigation. . . .' That was the trouble with this bill. According to many high authorities on the Constitution the government has no right to go into the power business—"

"Or any other business," said Mary. "We know that."

"Exactly—as Senator Norris finally realized. His first bill failed to pass because of that alleged constitutional restriction. So did his second, and several subsequent ones. But no one could say the government couldn't go in for flood control and navigation, especially navigation, because that might be useful in time of war. So old Uncle George Norris, being smart, began playing down power and playing up navigation."

The Professor reached into an inside pocket.

"He's got a wallet, too," observed Mother.

"This is what Norris said: 'I think the constitutionality of this kind of legislation hangs on navigation, so it is important . . . to make navigation important.' "

"Senator Norris said that?"

"Pretty clever of him, wasn't it?"

"And what did the bill that finally passed say?"

"Here," said the Professor, "is the exact wording of the preamble of the act:

> "To improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the public use of marginal lands in the Tennessee Valley; to provide for the national defense by the creation of a corporation for the operation of government properties at and near Muscle Shoals in the State of Alabama, and for other purposes."

"Not a word about power?"

"There didn't have to be. 'For other purposes' took care of that. Smart, eh?"

"I'll say it was!" agreed Andrew.

I looked from the pleasantly beaming young man to the eager, impressionable boy who was absorbing day by day through contact with him ideas of right and wrong with which I could not possibly agree.

"Do you really believe," I said, addressing myself to the Professor, "that it is smart to get around the Constitution by fooling the people who are sworn to uphold it?"

Thorny Bowers gave me his best grin. "Really, Mr. Tait, I'm beginning to think you *are* old-fashioned."

CHAPTER 2

RAUSHENBUSH, THOMPSON & CO.

In which Thorny Bowers tells the Taits how his Socialist Party comrades dreamed the TVA.

I SUPPOSE no one objects quite so much to being called old-fashioned as the man who really is old-fashioned. I tried hard

to keep that fact in mind all through the week end that Professor Bowers spent in the Tait homestead. I found myself saying it over and over to myself, sometimes out loud.

Lovina thought I was nuts, and, being Lovina, said so. But I do think my mumblings helped to save me from losing my temper and, perhaps, to save Thorny Bowers from being shot at dawn.

But what Thorny had to say about its being "smart" to get around the Constitution and fool those who were sworn to uphold it—well, that heresy, uttered by my boy's teacher and promptly echoed by my boy, was less easy to forgive or forget.

"You mean that sincerely, don't you?" I asked.

"Positively," answered the Professor.

He put the accent on the "tive" in that word, and several times in our talks he lengthened the first "i" in capitalists to a long double "e," also heavily accented. It was a jargon with which, obviously, I would have to become familiar if I wished to keep up with the times. At the moment, however, it was the man's blandness, not his pronunciation, that worried me.

"Professor Bowers," I said, "if you don't believe that honesty is worth while for itself—whether or not it seems at the moment the best policy—I guess you and I *are* at the far ends of an ideological equation."

"Now don't get the wind up, Mr. Tait. I'm for honesty, too, and so is the Socialist Party to which I belong, but we hold to the long view. You see the trees, we see the woods."

"Well, I wish somebody would lead me out of the woods on this TVA thing. First I thought it was baloney. Then I went down into the valley, saw the dams, and was completely sold. Now I listen to you and I'm completely unsold. There must be something wrong with the picture."

"Perhaps it's my fault that I haven't made it clear. What, specifically, is troubling you?"

"Chiefly, I think, your debonair attitude about TVA's statements to the public about its financial condition."

"I'm sure that's so, Mr. Tait, and I'm also sure that we would never agree on that point. Personally, I don't think it is important what they say, or others say for them, about their finances. No mere bookkeeping considerations should be allowed to obscure the value of the TVA as a social experiment. So let's by-pass the money matter, and get to the guts of the thing. What else is troubling you about the TVA?"

"Plenty—now that I'm beginning to get into its guts! But I'll take you at your word, Professor Bowers, and ask for an honest answer to an honest question. Will you tell me why your friends in the Socialist Party happened to think of this particular social experiment, and how they went about putting it over on a country which proves, every four years at the polls, that it is ninety-nine per cent anti-Socialist?"

"Gladly," he answered. "I think, as a matter of fact, we have already touched briefly on both of the points you raised. American Socialists began with the electric-power industry because, as Lenin is alleged to have said, 'state socialism is electricity plus bookkeeping.' And the way they went about 'putting it over,' as you call it, was through the kind of ingenuity shown in the preamble of the act which established the Tennessee Valley Authority. What more would you like to know about the movement?"

"I would like to know who started it. You say it wasn't Senator Norris. Who was it?"

"You won't like it if I tell you," he grinned. "Don't you think you'd better let it rest, as it probably always has rested in your mind, on the New Deal?"

"No. That isn't good enough. Mr. Roosevelt's interest in electric power I know and understand. He had his troubles with the subject up in New York State, and had never forgot it. Mr. Ickes' interest isn't very hard to understand, either. He ran up against a couple of power tycoons back in his

Chicago days. That both of those men should carry the chips they had on their shoulders down to Washington was a cinch. They were human. They couldn't help trying to get even. Lilienthal's attitude is more difficult to understand. Of course, he's a professional officeholder with special experience on power projects, and it is quite understandable that he should be on a power job and interested in doing it well. But what is the driving force that makes him become a tireless preacher of the gospel of public ownership? Even his pal Ickes seems to be somewhat bewildered by his activities."

"How's that, Dad?" asked Mary, who had slipped in with Lovina and the boy.

Tait School was now in session.

"Well, I seem to remember reading somewhere that Ickes branded our TVA chairman as 'the busiest propagandist the United States has ever produced.' "

"The pot calling the kettle black."

That was Lovina. She's full of those homely sayings.

"What I'm trying to get at," I said, "is who's behind the whole thing—whether it's good or bad?"

"You mean, Dad, who was 'using' Mr. Roosevelt and Mr. Ickes and Mr. Lilienthal to put this thing—"

"Don't say 'over,' Mary," laughed the Professor. "Say 'across.' "

The young man's good nature was hard to resist.

"O.K., Professor," I said, "who put it 'across' and how?"

" 'And how!' is right," rasped my daughter. "One billion dollars' worth of right—or wrong."

"Shut up, Sis," Andy exploded. "Let the Professor tell our story."

"Our story isn't quite the right way to describe it, Andy. I had just been born when it began, and you weren't even a gleam in your father's eye. The Public Ownership League of America was founded in 1914. Its guiding spirit was, and is, Carl D. Thompson."

"That name's familiar. He's a New Dealer, isn't he?"

"A New Dealer like me!" laughed Thorny. "The kind of New Dealer that the old New York *Call* used to refer to as 'Comrade Thompson.' "

I vaguely remembered the *Call* as at one time the most prominent Socialist newspaper in the United States.

"Funny! I thought he was a New Dealer."

"A rose by any other name," said Mary.

"Sure!" grinned the Professor. "But the New Deal can't claim our Carl. He was a Socialist national committeeman in 1905, and was placed in nomination for president at the Socialist national convention of 1908. In 1916 he was official campaign manager for the national Socialist ticket—"

"O.K., he's a Socialist."

"—but Carl's greatest service to the national Socialist Party and to its plan for socializing all industry, of which TVA is the first step, came as manager of the information bureau at the Party's national headquarters. I have here a bunch of leaflets issued by the national offices of the Socialist Party while Carl was in charge of the Party's publicity. I'll read you a few excerpts:

> "The Socialists will push their campaigns. . . . They will capture cities. Later they will control state legislatures and finally the United States Congress and the Supreme Court . . . and finally the nation will take over one after the other of the public utilities, mines, railroads, interurban electric lines, power plants, telegraph and telephone systems, waterways, forests.

"That's clear enough, isn't it, Mr. Tait?"

"I guess you've proved your point, Professor," I admitted. "The plan for taking over industry obviously did not begin with the New Deal. It began with the national Socialist Party."

"Just as it did in Germany—is that right?"

"In a way, yes, Mary."

"In every way," insisted my belligerent daughter. "The word 'Nazi' is just an abbreviation for National Socialist Party, isn't it?"

"Of course." For the first time the Professor seemed a little touchy.

"But without a Hitler or a Himmler to do the job for them," asked Mary, pressing her advantage, "how did they expect to get away with it? Did 'Comrade' Thompson say?"

"Definitely: 'by methods perfectly legal and constitutional.'"

"That was just wishful thinking, wasn't it? We all know it isn't legal and constitutional for the government to go into *any* kind of business, don't we?"

I didn't see how Thorny was going to get out of that one. But he was equal to the scramble.

"Anything is legal and constitutional," he laughed, "if the Supreme Court says it is."

"But you couldn't wait until you controlled the Supreme Court, could you?" Mary persisted. "You had to fall back on the subterfuge of navigation and flood control—and to hell with the Supreme Court as well as the Constitution! Is that it?"

"You put it crudely," said Thorny.

"But truthfully."

"Well, Mary, I won't dispute you. We Socialists are not much concerned with what the Supreme Court thinks, or does not think, about our projects."

"All you want is what you want."

"Agreed," laughed the Professor, "and very well put, Mary."

"No matter how you get it?"

"Within reason, yes."

I swallowed hard on that one. "But I suppose you and your

friends would prefer that your 'how' should be a legal and constitutional 'how.' "

"Not necessarily. In fact, many were for outright revolution by armed force, and the real father of the TVA—not Norris, but Raushenbush—is quoted in Norman Thomas's and Harry W. Laidler's *The Socialism of Our Times* as saying, '. . . it is not pleasant to give up that dream of a violent triumph . . . we are sensitive about it.' "

"That's just too bad!" jeered Mary. "Who is this Raushenbush? I never heard of him."

"You will, Mary, you will! Mr. Raushenbush happens to be in a position to make everybody hear from, as well as of, him. But we won't go into that now. The point is that Raushenbush was a realist, and still is. He knew that armed revolution, which has been so successful in Europe, was not the weapon to use in this country."

"Americans being what they are!" said Mary.

"Exactly. We have no caste system in America—"

"I suppose that's too bad, too?"

"Depends on the point of view, Mary. It certainly makes it harder to pit class against class and bring about armed revolution. And Raushenbush recognized that fact, and explained it fully in his writings."

"Oh," said Mother, "that's it."

"What's it, Mrs. Tait?"

"He's a writer!" As if that explained everything.

"Among other things, yes, and a very good one. Back in 1927, long before the New Deal was started, he wrote two swell pieces for the *New Leader*—"

"Another Socialist paper?"

"Yes. One was 'Cataclysmic Socialism or Encroaching Control,' in which he pointed out how unwise it would be to try violent methods in this country and how it would be necessary to adopt a roundabout road to the same end. The other

was 'A Program of Gradual Socialization of Industry'—in other words, the TVA plan."

"Perhaps he didn't mean the TVA," I ventured.

"Don't you believe it! He mentioned it specifically, under the name Muscle Shoals by which it was then known. Here are a couple of clippings that tell just what he said. First:

> "Between cataclysmic socialism and encroaching control the latter will be the only one acceptable to this nation for a long while. . . . The workers are more apt . . . to support a power authority. . . ."

"That word 'authority' sounds familiar," I said.

"It *is* familiar—the Tennessee Valley Authority—and used for the first time, so far as I know, a good six years before the passage of the TVA Act, by a Socialist. Raushenbush also used the other familiar term 'yardstick' years before any New Dealer dreamed of such a thing."

"Not 'yardstick,' " I protested. "I thought that Mr. Roosevelt invented that idea."

"Maybe he thought so, too, but he didn't. It was the Socialist author of these Socialist articles in the Socialist *New Leader,* Mr. H. S. Raushenbush."

"Go on."

"Well, as I was saying, Raushy is a realist. He knew that in a country like this we would have to pass through what he called a 'transitional state' before the complete socialization of the country could be accomplished, and he set about discovering the easiest way to do it. After describing and discarding several methods, he said:

> "A fourth attempt, which I look upon as much more hopeful, is the one which seeks to set up, through government ownership at Muscle Shoals, at Boulder Dam and on the St. Lawrence, yardsticks by which the efficiency of private ownership under regulation may be measured."

Now, I hold no brief against an "authority" to establish a

"yardstick." If it were done fairly, with taxes and interest properly charged, as I understand they are in England, to both government-operated and people-operated power systems, the experiment might be a good thing. But I must say that the appearance of these two familiar New Deal terms in the early propaganda of the national Socialist Party impressed me strongly and not too pleasantly.

Also, I hated to think of Mr. Lilienthal's cherished and sublimated "Authority," which he describes as "Democracy on the March," as being really a socialist concept to designate what the Socialist Party hoped would be an acceptable method of bringing about the gradual socialization of the power business as the entering wedge for the socialization of all businesses. And the highly publicized "yardstick," now that I knew it to be merely a branch whittled from the Socialist family tree, looked more like a whipping stick than a measuring one.

"What specifically did your friend Raushenbush advocate as a means to the end?" I asked.

"Boring from within," answered the Professor promptly. "Listen:

> ". . . one good man with his eyes, ears and wits about him inside the department . . . can do more to perfect the technique of control over industry than a hundred men outside."

"And this Mr. Raushenbush," I said, "he practices what he preaches?"

"And how!" exulted my son Andrew.

"Yes," agreed the Professor, with only slightly less obvious glee. "Raushy is definitely 'one good man with his eyes, ears and wits about him,' and he is 'inside'—also definitely. When I last heard, he was on the government payroll as chief of the Research and Planning Section of the Power Division of Harold Ickes' Department of the Interior."

CHAPTER 3

"OUR DREAMS COME TRUE"

In which Comrade Bowers tells Father Tait how Comrade Raushenbush's dreams became TVA dams.

"THE only thing I like about you, Thorny Bowers," said Mary, "is your frankness."

"I glory in my shame, eh?"

"You do, rather. I sit here listening to you and Father, and thinking up the most terrible things to accuse you of, and before I can get them out of my mouth, you're actually boasting about those very things."

"Just defense coloration, Mary. You know, Freud and camouflage and that sort of thing."

"It is that, of course, and very clever, too. But it isn't only that. You do believe in this 'boring from within.' You believe it is O.K. for a man like your Mr. Raushenbush—who is so 'sensitive' about having to give up 'that dream of a violent triumph'—to occupy a key position in a government he is trying to overthrow—"

"Whoa there, gal!" cried Thorny. "Who said anything about overthrowing the government?"

"You don't have to overthrow a government, Mary," I said, "if you can control it. That's right, isn't it, Professor?"

"Right, Mr. Tait."

"O.K. Control batting for overthrow. It comes to the same thing in the end, doesn't it? Especially if one per cent of the people control one hundred per cent of the government—which is what you Socialists want to do, isn't it?"

"That is what we *have* done—at least so far as the TVA is

concerned, and hope to do with the proposed MVA and AVA and CVA, et cetera, et cetera."

"But how actually did you do it?" I broke in. "I know what you say about this Raushenbush fathering the thing, and I am quite willing to believe that what you say is so. But how did he succeed in leaving his baby on the New Deal doorstep?"

"You want chapter and verse on that?"

"To prove your point, I think it's necessary. After all, Raushenbush was only one man. He was a Socialist, all right, but he didn't represent the Socialist Party officially, did he? Or, for that matter, the Public Ownership League? Let's pin this thing down. Who did the job?"

"That's where Carl Thompson comes in. I was starting to tell you about him when your interest in Raushenbush diverted me. It was Thompson, you will recall, who became secretary of the Public Ownership League of America after serving for more than a decade as national committeeman, manager of publicity, and so forth, of the national Socialist Party."

"Yes," I said. "I remember. He was the one who said that the Socialists would push their campaigns until they controlled Congress and the Supreme Court, and then they would take over the nation's mines, railroads, waterways, telephones, telegraphs, power plants—in fact, all basic industries."

"Right again, Mr. Tait. You have a good memory."

"It's not the kind of proposition an old-fashioned American with old-fashioned American ideas is likely to forget."

"Perhaps not. Well, in 1920, the national platform of the Socialist Party embodied this public-ownership plan, and added to the categories of businesses that should be taken over by political management all grain elevators, packing houses, oil wells, cold-storage plants, and 'all industries operating on a national scale.' "

"That would mean they planned to control movies, magazines, books, and the radio," said Mary.

"Well, I guess they didn't think much about radio in 1923, but the others—yes."

"What was to become of freedom of speech?"

"Oh, I guess they didn't think much of that, either."

"Apparently not!" Mary bit it off.

"And I forgot to tell you," continued Thorny blandly, "they also included all banks and insurance companies."

"That," I said, "means ultimately the control of all businesses. Not just Ed Sanderson's electric company, but my company, and yours, Professor Bowers, if you had one."

"Exactly. At first, a good many of the Socialist Party leaders were still a little vague about how this objective was to be gained, but Carl Thompson knew. Way back before the formation of the League in 1914, he had said that 'Successful public ownership of power production means an adequate control of transportation and industrial forces.' But it wasn't until 1923 that his plan for a 'superpower system' was generally accepted as the easiest way to get control of all business."

"That was ten years before the TVA Act was passed?"

"Yes, but it all fits in with the story. Am I boring you?"

"Not me," laughed Mary. "I'm a sucker for pirate stories and I listen to all the cops-and-robbers radio programs. But in this program, Thorny, the cops never seem to catch up with the robbers."

"Aw, give the Professor a chance, Sis."

"O.K., Thorny. In 1923, the ball really got to rolling, eh?"

"Indubitably. In December of that year, the League's official organ, *Public Ownership,* printed a twelve-point program for putting this superpower system into effect. The following January, the League called a conference in Washington, at which:

"(1) A bill was drawn and prepared for introduction at an early date providing for a nation-wide publicly owned superpower system. . . .

"(2) Arrangements were made for the bill to be introduced in the Senate by United States Senator George W. Norris. . . ."

"And was it introduced?"

"Yes, that spring. But it was defeated. It was considered a little too—"

"Unconstitutional?"

"Well, yes. That was before anybody thought of using navigation and flood control as possible constitutional pegs on which to hang the power plan. This first bill, however, was a step. It brought the question before the public officially. Senator Norris was popular and respected, and not a member of the national Socialist Party. That helped."

"Americans again being what they are!" Mary was indestructible.

"As a Senator, he could mail things free. That also helped. And he was a persistent old party. He kept on introducing bills in one form or another until—"

"He got one that would get by?"

"Yes. Little by little the power feature was pushed to the rear, and the flood-control and navigation ideas were pushed to the front. Meanwhile, however, the Socialists stuck to their knitting. Among themselves they didn't have to camouflage their real intentions."

"They called a dam a dam?" asked Mary.

"Why not? In 1926, as you have seen, Raushenbush came out with his epochal clarification of the subject and his use of the terms 'authority' and 'yardstick' and his emphasis on the Muscle Shoals project, later known as the Tennessee Valley Authority. In 1928, the national platform of the Socialist Party again reaffirmed its advocacy of 'a publicly owned giant power system' and the 'nationalization of our natural re-

sources, beginning with the coal mines and water sites, particularly Boulder Dam and Muscle Shoals.' Five years later, TVA was an accomplished fact."

"So you Socialists abandoned your plan for a nation-wide superpower system," I said, "and settled for one power authority in the Tennessee Valley?"

"That's a double-talk question, Mr. Tait," grinned Thorny, "but the answer to both parts of it is 'No.' Socialists picked on the TVA as a starting point for the reasons I have already given you—chiefly the fact that the government had a hundred million dollars previously sunk in that old Muscle Shoals nitrate plant. To most people, the TVA idea, as finally dished up by Senator Norris, looked simply like a plan to salvage that investment—with flood control and navigation as added attractions. Four years later, in 1937, we were ready for the next step, and Norris introduced a bill to divide the nation into seven power authorities. This was commonly known as the 'Seven TVA Bill.' "

"That's the proposal that's up for action in Congress now?"

"Yes, except that it has seemed expedient to divide the project into separate bills, MVA, AVA, CVA, and so on. The war has naturally delayed action on them, but we expect them to slip through easily as postwar measures just as the TVA did as a depression measure."

"They will, if someone doesn't do something to stop them. There are able men in Congress. They ought to see through this sort of thing."

"If we are as clever as we were before, they won't know what they've done until it's all over. But the point that will interest you, Mr. Tait, is that the proposals now before Congress correspond in every important particular to the Socialist proposals of fifteen and twenty years ago."

"You're not exaggerating the resemblance, are you? Tak-

ing too much credit—if you call it that—for what really was Mr. Roosevelt's own idea?"

"You don't have to take my word for it, Mr. Tait. I gathered from Andrew that you might want to go into this thing rather thoroughly, so I slipped a couple of folders from my files into my suitcase. I'll step upstairs and get them for you."

We could hear him moving about in the guest room overhead.

"Well," sighed Lovina, "what do you think of all that Socialist business, John?"

"I think it would be a good idea if Mary and Andy took the Professor for a walk."

"Sure you don't mean 'ride'?" asked Lovina.

"Either way, it's a good idea," said Mary. "He needs airing out."

The documents in the Professor's files backed up everything he had said. There were the amazing Raushenbush articles in the *New Leader,* even the *Call's* reference to "Comrade Thompson," and the various Socialist Party platforms and the Public Ownership League's pronunciamentos, and all the bills Senator Norris introduced, each one disguising more thoroughly the real purpose of the proposed undertaking.

Then came the actual TVA Act, with the misleading preamble that didn't even mention power. This slipped through in 1933, and was followed by the Seven TVA Bill of 1937, which contained the proposals now before the Congress. I examined the latter with great care. There was no doubt about it. They did correspond in every important detail to the Socialist plan as outlined by Carl Thompson and elaborated by H. S. Raushenbush. The line of descent from dreams to dams was clear and unbroken.

There were also a couple of maps which told the story even more effectively than words. One was published in

1923, and showed Thompson's proposed superpower system. The other was published in 1937, and showed Norris' proposed division of the country into seven TVA's. Thompson published them side by side in his *Public Ownership* magazine in 1937, and the resemblance was so close you couldn't tell which was Rand and which was McNally.

The maps were printed as part of a gloating article entitled:

OUR DREAMS COME TRUE

Our Plan for a Public Superpower System for the United States Outlined and Published in 1923 Slowly but Surely Being Realized

I skipped through the article, which was a long one. Here are a few quotes:

> Step by step this plan . . . is being . . . realized. . . . The Tennessee Valley has become an outstanding reality. . . . Boulder Dam has been finished. . . . The Bonneville power system . . . is nearing completion. . . . Grand Coulee is well on the way. . . . In the map . . . one can see the extent to which our dream of 1922-25 has already taken form and also the next steps that are being proposed and urged by President Roosevelt. . . .

On this note Thompson rested his case, and so did the Professor. As I laid down the latter's papers, I realized how clever our friend had been. Patiently he had built up his case as an able prosecutor does: establishing character, motive, and opportunity for the "crime." If my living room had been a courtroom in which the Socialist Party was on trial, and I was the judge, I should have felt it my duty to direct the jury to bring in a verdict of "Guilty."

Only, of course, Professor Bowers would not call this carefully engineered conspiracy to take American businesses away from the people and give them to the politicians a

"crime," and "guilty" was hardly the word he would apply to Raushenbush, Thompson, et al. He'd be more likely to award them the Distinguished Service Medal.

That's what got me down: that this pleasant, personable young man should hold these views, which seemed to me so very un-American, and that he should be expounding them day after day in an American college to impressionable American lads like my Andy.

The folks looked in on me on their way back from their walk, and I had a chance to ask the Professor another question:

"This Carl Thompson—whatever became of him? Is he still alive?"

"Very much so. He's an old man now, but a very active one. He isn't content to rest on his laurels for having done the spade work which prepared the American ground for the seeds which Raushenbush and others sowed. He has kept right on doing a good bit of the sowing himself."

"And reaping?" asked Mary. "I suppose he, too, is holding down a government job?"

"Another one of Mr. Ickes' little boys?" suggested Lovina.

"He did work for Harold for a while, Mrs. Tait. Things weren't going just right on the PWA. A lot of applications from municipalities for loans to duplicate light and power facilities already in existence were being turned down—"

"On what ground?" I asked.

"The excuse was that they couldn't possibly pay back the money and were therefore economically unsound."

"How silly to bother about a little thing like that!" mocked Mary. "Just bookkeeping, you know!"

"Well, the Secretary apparently thought so, too."

"I'm not surprised."

"Anyhow," Thorny went on imperturbably, "he called in Carl and a few others and appointed them power examiners to review such applications for federal loans and, according

to *Public Ownership,* the League's official organ, to speed them up."

"In short," I said, "he was called in to help upset the decisions of the department's own experts."

"Experts to you, Mr. Tait—public enemies to us."

"And what is this Thompson doing now?"

"He's connected with the Bonneville Dam project."

"In what capacity?"

"Consultant."

"Consultant on what? Bonneville is an engineering job, isn't it? Is Thompson an engineer?"

"Of course not. He's still a publicist."

"Oh," said Mother, "one of those things."

"Yes, he handles publicity for the Bonneville power project and, at the same time, keeps up his efforts through the Public Ownership League and the League's news organ to bring about more such projects."

"In other words," I said, "he is boring both from within and without."

"Precisely."

"And you think that is all right?"

"I do."

"Well, Professor," I said, "you have certainly proved one point about your friend Thompson. Like your friend Raushenbush, he's a realist."

"You mean his getting himself a government job?"

"Pretty good evidence, isn't it?"

"Perhaps. But the government owes men like Raushenbush and Thompson a living. They are our modern Abraham Lincolns."

There was an awkward silence after that one—at least, awkward for everyone except Thorny and his open-mouthed disciple, Andy. Personally, I was under the impression that Honest Abe split rails for *his* living, but I didn't venture to remind Thorny Bowers of that fact, for fear he would say

that it was a waste of good time and strength unless the splitting was done at the taxpayers' expense. Mary, as usual, was the first to recover the use of her voice.

"Don't mind Thorny, Dad," she said. "He's just another realist."

CHAPTER 4

FROM RAUSHENBUSH TO LILIENTHAL

In which the Taits learn why the TVA boys chose to play down socialism and to play up democracy.

"You fellows ought to get together."

"What fellows, Mr. Tait?" asked Thorny Bowers.

"You social-experiment boys. For example, our Mr. Lilienthal says that the TVA is 'Democracy on the March.' He has said it to millions of Americans in his book and in news releases and magazine articles, and is now saying it to no one knows how many other millions of people of all nationalities—"

"Including the Albanians, the Hungarians, the Slovaks, and the Serbo-Croats." That was Mary.

"Right," agreed the Professor. "And more power to him!"

"He couldn't have much more power than the OWI is giving him—with our money, money that was supposed to be spent to help Steve and the others win this war."

"Forget Steve, Sis," said Andy. "To hear you talk, you might think he was fighting the whole damn war."

"He's doing more than some I could mention!"

"Children!" admonished Lovina.

"Yes, children," I said, "give me a chance to make my

point with the Professor. You say 'more power to him!' when Mr. Lilienthal says the TVA is democracy on the march. Yet you and your officeholding friends Raushenbush and Carl Thompson insist that it's socialism that's marching down the Tennessee Valley. If you're right, and I must say you've pretty well proved it to my satisfaction, Lilienthal is wrong. Democracy isn't on the march. It's on the run."

The Professor just grinned.

"You haven't fooled him, too, have you, the way you did Congress?"

"We didn't fool Congress, Mr. Tait. We let Congress fool itself. Public works—building dams, et cetera—was one obvious way to make jobs. From our standpoint the setup couldn't be improved."

"You haven't answered my question."

"About Lilienthal? Well, not many people fool Dave. He's smart. But it is just possible that—like Congress, which adopted in good faith a socialist plan under the impression that it was helping to save democracy—Lilienthal may have fooled himself."

"I can see the impelling force in Congress's case," I said, "but I don't see it in Lilienthal's."

"Put yourself in his place, Mr. Tait. He is the boss-foreman on what he calls 'the Grand Job of This Century.' He is proud of that job. He wants people to know about it—"

"How could they miss?" asked Mary.

"—and the people he is most interested in reaching are the Congressmen who must go on year after year giving him his appropriations to make up his deficits, and voters back of those Congressmen who will ultimately decide whether the TVA experiment is to continue and spread until it covers the entire country. Now, as you have pointed out, those voters are divided into camps: one per cent who believe in socialism and ninety-nine per cent who believe in democracy.

Under the circumstances, which word would *you* use in describing your experiment—socialism or democracy?"

"He wouldn't lie about it, John wouldn't," said Lovina, "and neither would a nice man like Mr. Lilienthal."

"Of course not. But he would naturally try to think and talk about it, so far as possible, in democratic terms. You would, wouldn't you, Mr. Tait?"

"I might."

"Sure you would, and after a while you'd believe it, and maybe write a book about it."

Andy thought that was pretty good, the Old Man writing a book, and guffawed disrespectfully. I let it pass.

"Doesn't it make you kind of sore," Lovina asked, "to have democracy get the credit for the plan you Socialists conceived?"

"Not at all, Mrs. Tait. We laid the egg. We don't care who hatches it."

"Like the cuckoo bird," said Mary.

"Touché," laughed Thorny. "We laid a Raushenbush egg in a Lilienthal nest."

You couldn't fight with a fellow as good-natured as that. I'm not just sure what a cuckoo bird is, but I wouldn't like to be called one. Thorny, on the other hand, seemed impervious to ridicule. I wonder if that is a socialist trait, or just a Bowers one, a sense of humor or a lack of it. Perhaps it's just something a social experimenter has to have, or a cuckoo bird. Personally, I felt that the idea of a billion dollars' worth of socialism masquerading as democracy was not the kind of thing that could be laughed off—whether the masquerade was conscious or unconscious.

"The difference between you and Mr. Lilienthal," I continued, "seems to be much wider than a mere choice of terms. You and Raushenbush and Carl Thompson say frankly that TVA's driving the business-managed power com-

panies out of business is merely the first step toward the taking over of all business. Correct me if I'm wrong."

"You are not wrong."

"Lilienthal, on the other hand, boasts of the miracle the TVA has wrought in attracting industrial concerns to the valley. For example, he says that 'Since the TVA was created, the figures show that private enterprise in this region has made greater progress than in the United States as a whole during the same period. . . .' If that statement means what it seems to mean, either your plans have misfired or somebody isn't telling the truth."

"Our plans have not misfired."

"Then the statement isn't true?"

"Literally, it is. But in the conclusions which the casual reader might draw from it, it is, to say the least, misleading."

"A thing is either so or it isn't so," said Lovina.

"I'm afraid life isn't as simple as that," replied the Professor. "The statement that the region affected by the TVA has made greater industrial progress during recent years than the nation as a whole is a true statement, but only because southern states as a whole have recently made greater progress industrially than the nation as a whole. But the impression that the region affected by the TVA has made greater progress than the rest of the South *because of the TVA*—if the statement does give that impression—is not a true impression, because that region has not made any more progress than other southern states that don't have a TVA, and in some important respects, not so much."

"Let me make sure I understand that," I said.

"It is a little complicated, Mr. Tait."

"It doesn't need to be," I replied. "It is common knowledge that the South as a whole has been growing faster industrially than the rest of the country, which has long been much more thoroughly industrialized. This growth started years before the TVA came into existence. So Mr. Lilien-

thal's statement is technically correct. But it doesn't mean what it seems to mean unless it can be proved that the TVA region has made bigger gains than other southern regions that don't have a TVA."

"And it can't be proved."

"Are you sure that it can't, Professor Bowers?"

"Absolutely."

"Then you are making a very serious charge against Mr. Lilienthal."

"Not against Mr. Lilienthal personally. Dave is the head of one of the world's biggest businesses. He is one of the world's busiest men. He cannot be expected to analyze every statistical report that comes to his desk. He has a large staff of accountants and bookkeepers to do that."

"Yes," agreed Mary, "and what bookkeepers!"

"And in the giving out of statements to the public," continued the Professor, "it would be almost too much to expect that a busy man like Dave Lilienthal could prepare them all himself. That one you read is probably a rehash of many TVA press releases promoting the same quite unfounded belief: to wit, that great and varied industries are flocking to Tennessee to take advantage of the Authority's cheap power. Lilienthal can't write all that stuff any more than he can check every figure that appears in it. He has a flock of press agents to do that."

"So, Professor, you're willing to exonerate Mr. Lilienthal for issuing what you say is a misleading statement, but you aren't willing to exonerate the TVA."

"Certainly not. Are you?"

"Not if what you say is true. Can you prove it?"

"Yes, sir. In the second folder I lent you, Mr. Tait, you will find a complete statement based on the U. S. Census of Manufacturers, statistical abstracts of the Department of Commerce, and other standard sources. Here, I'll find it and give you the high points."

While the Professor was riffling through his papers, I had to smile at the turn the discussion had taken. Here was the Professor, who not only believed in the TVA but claimed a vicarious interest in its parentage, offering to prove that it wasn't anywhere nearly so good as the TVA folks said it was. This was the sort of argument that I might have expected from Ed Sanderson, he being naturally prejudiced against the social-experiment boys.

"You'll be laughing at me, Mr. Tait, fooling around with a lot of percentages and decimal points, after what I said about not being interested in figures. But these are very simple, really. Tennessee, which is nearly one hundred per cent TVA, should show the TVA influence on private industry in its fairest flower. The neighboring states, Alabama and Georgia and Mississippi, which are only slightly affected by TVA, should furnish a good comparison, and Texas, which obviously isn't affected at all by the TVA, should furnish an even better one. To be on the safe side, we'll have a look at the rate of progress since 1933 in all three. Agreed?"

"Sounds fair to me."

The Professor was very patient and, for an antibookkeeping guy, surprisingly proficient. I won't set down the exact figures here. They make dull reading. But they proved the Professor's point. For example: in the number of new manufacturing establishments and in the added value of goods manufactured, Tennessee had gained less than either the Alabama-Georgia-Mississippi group or Texas. And so on down the line. In all the indexes of prosperity, which Mr. Lilienthal specifically said would prove his case, such as bank deposits, individual incomes, retail sales, etc., Tennessee lagged behind in spite of its TVA. In only one of Mr. Lilienthal's indexes—the increase in the number of employees—did Tennessee lead some of its neighboring states. Even so, in this category as well as in the others, Tennessee *with* its TVA trailed Texas *without* one.

"Are you satisfied, Mr. Tait, that TVA's claim that it is a factor in boosting free enterprise is a phony claim?"

"I'll have to be, I guess. I don't suppose these figures include the war years, Professor?"

"No. Statistics in this particular form have not yet reached me for the last four years, but there are other ways of getting just as clear a picture of where Tennessee—and therefore the TVA—stands in the war effort. I have a list here of war contracts allocated to the sixteen southern states during the first two and a half years of the war emergency. Texas without a TVA is first with more than four billions' worth. Tennessee with a TVA is tenth with less than one billion's worth—a very poor tenth in a list of sixteen."

"I must admit, Professor, that it doesn't look as if the TVA, even with the help of the war, was doing much for free enterprise in the good old State of Tennessee."

"So far as attracting and encouraging private industry is concerned," agreed the Professor, "it certainly is not, and any claim that it is doing so is unadulterated bunk."

"For once, Thorny Bowers," said my daughter, "I agree with you."

"But I wouldn't have any of you get the impression," the Professor continued, "that I think the TVA is a failure. It may not be doing a good many of the things that the TVA boys say it is doing, but it *is* doing what we Socialists planned that it should do, and doing it even faster than we expected. By its monopoly of the region's basic industrial factor, electric power, it has been able to extend its activities in the valley to many other branches of commercial endeavor and to exercise over the entire area the kind of paternalistic rule which will ultimately bring about the socialization of all industry. Here is a list of TVA's current activities compiled not by the Socialist Party, but by Old Man Free Enterprise himself, the Chamber of Commerce of the United States."

This was the Chamber's list of TVA's own "businesses" as of May 29, 1944:

1. Instituting a super government, superior to the state and local authorities.
2. Taking over certain police powers.
3. Manufacturing (some for war purposes)
   Fertilizer (phosphates)
   Ammonia
   Ammonia nitrate
   Calcium carbide
   Phosphorus
   Decalcium phosphate
   Calcium silicate
   Dehydrators
   Alumina
   Laminated wood
4. Directing operations on a large area of farmland.
5. Promoting food processing and marketing associations.
6. Processing fish.
7. Constructing and operating river terminals.
8. Operating flood-control facilities.
9. Operating a malaria-control program.
10. Operating farmlands.
11. Lumbering.
12. Operating recreational facilities including tourist cabins.
13. Readjusting families.
14. Renting houses.
15. Producing and selling electric power and energy.
16. Regulating electric rates of resale customers.
17. Loaning money.
18. Quarrying limestone.
19. Doing engineering work outside the TVA area, including Russia.

20. Experimenting with socialized medicine.
21. Engaging in freight-rate hearings.
22. Carrying on a wide variety of research, part of which is outside the TVA area.
23. Operating grocery stores and service stations.
24. Operating schools.
25. Operating domestic water-supply systems.
26. Operating drug stores.
27. Directing forestry, commercial, agricultural, and health activities.
28. Doing construction on a large scale.
29. Operating navigation facilities.
30. Directing a plan for the unified development of the area, including moving of industries in other areas to the TVA territory.

The family gathered around to study this impressive list of governmental activities in the Tennessee Valley, more than half of which clearly represented inroads into strictly commercial fields. It was Lovina who finally broke the awed silence.

"And according to the Constitution," she said, "it isn't legal for the government to go into business!"

"That's what I've always been told," said Ed Sanderson, who had entered unannounced in time to hear the last two speeches, "but what is the Constitution of the United States between friends?"

CHAPTER 5

THAT MAN IS HERE AGAIN

In which Ed Sanderson meets the Professor again and finds several points on which, surprisingly, they agree.

Ed Sanderson and the Professor got along fine. They were as far apart ideologically as the poles, but in generating heat over TVA's pretending to be anything but a socialist scheme to take over American business they were as close as two sides of the equator.

"I don't suppose you need any further testimony from me, John," said my old friend, "but I heartily agree with Professor Bowers that TVA's claim that industries are flocking to the Tennessee Valley to take advantage of the Authority's subsidized low rates is the bunk. Moreover, I can prove it, not so much by figures as just plain common sense."

"Go to it, Ed," I said. "The more evidence the better. I hate to think that our own government is telling us anything but the truth, but if it is, I can't know about it too soon or too often."

Ed slumped comfortably in the big armchair, propelled his outsize Sunday shoes toward the middle of the room, and folded his capable hands over what used to be his waist.

"The explanation is so simple," he began, "that I am amazed that a smart man like David Lilienthal should allow his publicity boys to exploit a fallacy that could so easily be disproved. The whole thing boils down to one indisputable fact: The cost of electric power is one of the smallest items of expense in the manufacture of the average product—so small that the average businessman wouldn't bother to move

across the street, let alone from one state to another, to get a lower rate."

"What do you call small, Ed? Ten, fifteen per cent?"

"Less than one and one-half per cent. Of course, it runs higher than that with some specialized industries like the electrochemical, but they are such a small part of the total that they don't change the picture. The average for all manufactures is below one and one-half per cent of the value of the finished product.

"Or put it another way: The cost of electricity to businessmen is of about the same consequence as it is to housewives. The average household monthly electric bill is slightly more than three dollars. That's only about one and a half per cent of a monthly income of two hundred dollars a month. You wouldn't move away from your own home for that, would you, Lovina?"

"I wouldn't move away from my home for anything."

"Many hardheaded businessmen feel the same way, and they have a lot of practical considerations in addition to the sentimental ones. Labor conditions, housing conditions, proximity of raw materials and markets, freight costs—major items like that—determine the location of an industry, not a minor item like the cost of electric power. Any businessman will tell you this is so, and if I were running the TVA—which, thank God, I'm not!—I'd fire any press agent or public-relations counsel who tried to tell you otherwise."

"And you would be quite justified in doing so, Mr. Sanderson," agreed Thorny. "Dave Lilienthal may be, as Harold Ickes said, 'the busiest propagandist the United States has ever produced,' but he certainly isn't the most discreet."

"I daresay your friends Raushenbush and Thompson could teach him something in that line," Mary suggested.

"They could at that!" laughed Thorny.

"What I was going to say when I was interrupted," Ed began again with a mock frown at Mary, "was that another

point on which I would like to back up the Professor is the exaggerated and wholly misleading nature of the TVA's claims to importance in the war effort."

"Well," said Thorny, "I didn't mean that it wasn't of any importance."

"We wouldn't expect you to admit that, Professor Bowers," smiled Ed, "because that would be admitting that when it came to a showdown your whole social experiment was a failure. But I understood from what Mr. Tait told me of your conversation that you proved conclusively that the Tennessee region's contribution to the war effort was nothing like what the TVA publicists imply that it has been."

"Quite right—so far as private industries are concerned. But the TVA itself has produced a lot of war goods."

"A lot, yes, considering it is supposed to have no legal right to be in the production business at all, but an infinitesimal amount really as compared with such wholly TVA-less regions as New England, for instance, or the Middle West or the Pacific Coast or other southern states like Texas, Maryland, Virginia, or Missouri."

"I'll have to admit that, Mr. Sanderson," replied a somewhat tamed Thorny Bowers, "but I don't think it is the fault of the TVA idea."

"Perhaps not. But I think even you will agree that it was an ironical commentary that the only power shortage during the war emergency occurred in the region influenced by the TVA. To be sure, there was a drought, but that is a condition that must be taken into consideration in the electric-power business. This drought was not unusual. Droughts occur in the region of the Tennessee River. There was one in 1925 and another in 1931. A recurrence was to be expected, and should have been anticipated—and *would* have been anticipated if the companies formerly serving the TVA area had been left in possession of their properties and allowed to expand in the normal manner, or even if the companies still

operating in adjoining territories had been left free from TVA's continual threats of absorption and virtual confiscation, which made construction of additional steam plants to meet the heavy war load economically impossible."

"But how can you anticipate an act of God, Mr. Sanderson?" asked Andy.

"Electric companies under experienced business management do that every day, Andy. They have long realized the wisdom of having adequate steam-generating plants operating in conjunction with the hydro plants so as to make possible continuous service even during drought periods. Is that clear?"

"It's clear," said Andy, "but why can't the TVA build steam plants as well as anybody?"

"And why didn't they?" added Mary.

"The answer to Mary's question is, first of all, that they couldn't except as a war measure—why, I will explain later—but even if they had done so, they would have had to admit that their original idea was a failure and would have had to ask Congress for appropriations of more millions of the taxpayers' money to build the plants—and if they had got the money, they would have faced one of the major shortages of all time."

"A shortage in what?"

"In red ink. You have seen what the real TVA financial statement looks like now, when standard bookkeeping methods are applied to it. What do you suppose it would look like after they built a flock of steam plants to supplement their twenty-odd dams?"

"And Andy's question?" I reminded him.

"Why can't they build them except as a war measure? The answer to that one, in addition to the personal humiliation and financial chaos it would cause, is that they are not sure that they have any legal right to build them."

"But they got around that on the dams."

"Yes. They pinned the dams on flood control and navigation, but even Professor Bowers' socialist friends Raushenbush and Thompson wouldn't, I presume, be able to argue that a steam-power plant would aid either of those causes. They can't fool all of the courts all of the time—not yet. So, when the big drought that hit all the electric companies in the Southeast came along, the TVA was caught with its britches down—or, rather, with its waters down. It had some steam capacity acquired from companies it had already put out of business, but not enough. (The steam plant built as a war measure was not yet ready, and even that might not have been adequate to save the situation.) So, without outside help, it couldn't furnish the power it had contracted to furnish for war plants and others in the region which it served."

"Then the TVA actually retarded war production instead of helping it?" I asked.

"It would have, John, if more than a score of the nation's much abused electric companies under business management had not come to its rescue with three hundred and forty-eight million kilowatt-hours of electricity during the twenty-six-week period between May twenty-fifth and November twenty-second."

"Must have been pretty humiliating," I said, "after all their boasting."

"Yes, and all their threats to put us out of business! But we didn't rub it in. And we didn't spare the horses. Some of that power came from as far west as Texas, from the Chicago area, from Pennsylvania, and from Ohio."

"I think it was wonderful of you to be willing to help them out," said Lovina.

"If there hadn't been a war on, maybe we wouldn't have been so 'wonderful.' Maybe we would have let those social-experiment boys stew in their own juice—or, rather, their lack of it. I don't suppose we'd have let the people of the

valley suffer, but it might have done them good to have to grope around in the dark for a while."

"You bet it would have," said Mary. "It would have shown them how foolish it is, with all due respect to the Professor, to place their lives in the hands of untried theorists, whether they call themselves Socialists or Democrats or Republicans or Communists or just plain know-it-alls."

"Well, well," laughed Ed, "our little Mary is bitter."

"I admit it—I am bitter."

"Mary takes it as a personal affront to Steve," I explained, "that all this money is being spent on socialistic projects while he and the other boys we know—your Ed, for example—are out there fighting for democracy."

"It *is* an affront," Mary insisted, "and I know at least one young soldier, when he gets back, who is going to do something about it."

"I agree with you, Mary," Ed replied. "I think a lot of the boys who are fighting for their country and for what it stands for will take more interest in this sort of thing than they did before they went away. When will Steve be back, Mary? I miss him at the plant. Steve's my right hand, Professor, and he's been fighting for two years. He should be due for a furlough."

"He is. But when it's to begin is still a military secret. He writes I'm to expect him when I see him."

"That'll be soon, I hope."

"It can't be too soon, not only for his wife's sake, but for his country's"—Mary gave the poor Professor her most disparaging glance—"if this sort of thing is going on."

"I am sad, Mary," said Thorny, "sad, but unrepentant."

After supper, Ed and the Professor got to talking about the relative merits of electricity manufactured by water power and electricity manufactured by steam. It is a subject on which a good many of us laymen are a little vague, the pre-

vailing opinion being that water power is just as good and cheaper.

"Water," you hear people say, "is free, but coal costs money."

I don't say that the TVA has encouraged this fallacious theory, but it certainly hasn't discouraged it. In fact, a good deal of the sentiment in favor of these great power dams is based on this belief, and a great deal that has been written by outsiders about the TVA accepts it almost as an irrefutable argument.

The subject came up really when I showed Ed and the Professor a publication entitled "10-Year Old TVA Makes Power For War," which one of Mary's schoolteacher friends told her was being sent to her grammar-school children for use in their study courses. For the most part, the text followed the now familiar TVA line, but there was one sentence in it that had given me a jolt: 'The use of water power for work is a way of 'getting something for nothing.' "

Now I may be old-fashioned, as the Professor says I am, but I have always associated the phrase 'something for nothing' with confidence men and barkers at county fairs. I'd hate to think that it entered into the TVA philosophy or that it was being taught to youngsters in the schools. I am perfectly willing to admit that those dams down in the Tennessee Valley are "something," but I can't agree that a billion dollars of the taxpayers' money is "nothing."

"What do you think about it?" I asked the Professor.

Thorny read the sentence and displayed that ingratiating grin of his again.

"I think that's going a little too far," he said. "I don't believe even our friend Lilienthal would authorize any such statement."

"I don't believe he would, either. I certainly hope that he wouldn't because I consider it pretty dangerous kind of gospel to preach."

"You're quite right, of course, from your point of view, and I agree that it is not very sound economics. But it is good propaganda, whether the TVA put it out or not, and anything that is good propaganda for the socialization of business is O.K. by me."

"Nothing is good propaganda that isn't so," said Lovina.

"Bless your pure soul, Mrs. Tait!" exclaimed Thorny. "Propaganda and truth seldom pull well in double harness."

"You ought to know, Thorny," snapped Mary, "you and Goebbels."

"Ouch!"

Ed Sanderson intervened. "You're riding the Professor rather hard, Mary. After all, he admits that propagandists are seldom seekers after truth, and when a fellow admits his sins, he has a right to expect forgiveness. As for this particular 'something for nothing' piece of propaganda, I daresay the man would defend it on the ground that some dams do produce power at comparatively little expense—at least, so far as its actual generation is concerned."

"What kind of dams?" I asked.

"Dams that God built, John."

"Like Niagara?"

"Yes. As a matter of fact, Niagara power isn't particularly cheap when it gets to the consumer. The cost of intake works and long tunnels is very high. But man didn't have to invest a billion dollars in that dam. He didn't have to excavate 'nearly thirty million cubic yards of rock and earth to prepare the foundations . . . an excavation large enough to bury twenty Empire State buildings.' He didn't have to pour in one hundred and thirteen million cubic yards of material, which is 'more than twelve times the bulk of the great pyramids of Egypt.' Moreover, since the Great Lakes themselves furnish a natural God-made reservoir behind the dam, man didn't have to buy and clear and destroy for all time the valuable farmland which comprises so much of the sub-

merged area which forms the 'lakes' of which Mr. Lilienthal is so proud. The dam was there. All man had to do was tap it."

"Even so," I said, "the power wasn't free."

"No. Generating plants had to be built, transmission lines had to be constructed, service had to be maintained, taxes and interest paid, depreciation taken care of, all the ordinary obligations of doing business faithfully and promptly discharged. In short," he concluded, "there is no such thing as 'something for nothing'—even at Niagara."

"It's a tough world, Thorny," said Mary.

But the man's good nature was irrepressible.

"Not for us social-experiment boys," he said.

CHAPTER 6

EXPERIMENT VERSUS EXPERIENCE

In which Professor Thorney Bowers loses an argument and his disciple, young Andy Tait, loses a temper.

"MR. SANDERSON," began the Professor, returning unabashed to the wars, "I take it from what you say that the private electric companies are unalterably opposed to the use of water power instead of steam for generating electricity."

Ed Sanderson filled his pipe, caressed lovingly its ugly black bowl, hoisted a heavy foot for purposes of match scratching, and gave Thorny his Sunday smile.

"Professor Bowers," he said, "I have tried hard to agree with you whenever I could."

"And sometimes when you couldn't," said Mary.

"I'm sure that's so, Mary," agreed Thorny; and to Ed: "You've been very courteous, sir."

"And very patient!"

"Mary, don't overwhelm me with adjectives. And you, son—you don't mind my calling you 'son,' Thorny?—I *have* tried to treat your ideas with respect, but I don't claim any credit for that. I figured it was the only way to get you to treat mine with respect, too! It is important that you young folks should see this thing clearly for yourselves—you and Andy and Mary and my Ed and Steve."

"Steve will see it clearly, all right!" That, of course, was Mary.

"I believe he will, and I hope you and Andy and my Ed will. It is much more necessary that you should than that old fellows like John and I should. But to get back to this question of yours: It raises two points involving facts, on which I must take issue with you. The first is that you say my company and other companies like mine in the electric-power business are 'private' companies."

"Well, you know what I mean—"

"I know what you mean, but I'm not sure that you do. In fact, I'm pretty sure you don't—you or your socialist friends or TVA's so-called democratic propagandists. The regular electric companies, the business-managed ones as distinguished from the politically managed ones—"

"The ones that are producing eighty per cent of the power for the war effort and paying twenty-five per cent of their income in taxes to support that effort."

"Mary," I said sternly, "let Mr. Sanderson tell his own story."

"I'll accept the amendment, John," laughed Ed. "The companies you mentioned, Mary, are no more private than the TVA is private—not so much so, really, because we are subject to government regulation, whereas the TVA is not, and we are required by law to make factual statements of our financial affairs in accordance with that regulation, which,

as we have seen, the TVA is not, and does not. You agree with me so far, don't you, Professor?"

"I suppose I do, Mr. Sanderson, but I wouldn't know. As I told Mr. Tait, I'm not interested in figures."

"You were pretty good at figures, Professor," I said, "when they helped you to prove that the TVA's claim to be a democratic institution instead of a socialistic one was what you called 'unadulterated bunk.' "

"Mr. Tait, what a memory you have!" laughed Thorny. "I bow to my elders. I agree, for the sake of argument, that Mr. Sanderson is right—so far."

"Thank you," continued Ed, matching courtesy for courtesy. "But that is not the chief point on which I base my claim that my company and others like it are not private. I say 'my company' simply as a means of identification. It isn't my company. I don't own one per cent of it. It belongs to several thousand individual investors and millions of holders of insurance policies, depositors in savings banks, who have directly or indirectly invested their savings in it. The same thing is true of all business-managed electric companies."

"American citizens own the TVA, too," insisted Thorny.

"That's what I'm telling you. So far as 'public' and 'private' ownership goes the situation is the same—with one important exception."

"What's that, Ed?"

"In the case of the regular electric companies, like mine, the ownership is voluntary, entered into, in most cases, after careful study by the stockholders themselves or their representatives. In the TVA's case—and the Professor boasts of this—ownership is involuntary, something which has been slipped over on us by a lot of socialistic schemers like this Raushenbush you talk about and Carl Thompson and, vicariously, our good but dangerous friend, Thorny Bowers."

Thorny grinned. "O.K.! What's the second point?"

"The second point is that we are not unalterably opposed

to hydroelectric generation as a substitute for steam. On the contrary, where experience teaches us that it is practical, we are not only for it but we use it, and are glad to do so."

"The impression is pretty general," I said, "that TVA invented that sort of thing."

"Yes, John, they've been clever about that. They have sent out so many alluring pictures of those twenty-odd dams in the Tennessee Valley, and got them published in so many newspapers and magazines and books, that the public naturally thinks of water power and TVA as synonymous. It is probably the chief psychological factor the TVA propagandists have for influencing public opinion. Power dams are beautiful, dramatic. Power plants run by steam are routine and stodgy. The TVA boys know that, and they have played it to the limit. And, as you point out, they have managed, without actually saying so, to create the impression that they originated the whole idea of using water power to generate electricity. Nothing could be further from the truth."

"I remember, Ed, your telling us about your own little dam up the river."

"Yes. Many companies operate supplementary dams of that type. But some companies reverse the order: use water power as their first source of power, and operate supplementary steam plants to protect them against a suddenly increased load or the kind of drought that threatened to paralyze the war effort in the Tennessee Valley."

"That's an admission, isn't it, Mr. Sanderson, that water power is cheaper than steam power? Otherwise you wouldn't use it whenever you can."

"It isn't an admission, Professor, and we don't use it whenever we can. We use it when conditions are propitious. Those conditions do not exist in the Tennessee Valley, and they don't exist in most parts of the United States. That is why the whole TVA project was and is economically unsound, and that is one of the many reasons why the proposed seven

TVA's—MVA, AVA, CVA, et cetera—are, in my opinion, an almost criminally impracticable proposition. But conditions that *are* favorable for the use of water power do exist in some localities. For example, in the Pacific Northwest."

"Bonneville and Grand Coulee have proved that," said Thorny.

"The regular electric companies of the Northwest proved it years before Bonneville or Grand Coulee were ever thought of, or, for that matter, your socialist-planned TVA. I spent some time this last summer with a friend of mine who is president of an electric company—'water-power company' he calls it, and that's its official title—which supplies electricity to one of the biggest cities in the Northwest.

"Now it just happens that my friend lives in a part of the country where water power *is* cheaper than steam power, provided, of course, the potential market is big enough to take up the load before the fixed charges on the dam investment eat up the profits. This unusually favorable hydro situation in the Northwest is due, first, to the fact that coal, after its long haul over the mountains from the East and South, is a high-cost factor in manufacturing *anything* on the Pacific Coast; and, second, to the fact that water in the Northwest is plentiful in quantity and reasonably dependable in flow. So my friend's electric company, being in this especially favorable position, was able to forget coal and build dams."

"Well," said Andy petulantly, "that's what the TVA did, isn't it?"

My son had become increasingly restless as a silent observer of the losing battle his experimenter-friend Thorny had fought against the weight of Ed Sanderson's practical experience. I knew it was only a matter of time when he would launch an offensive of his own.

"That's exactly what the TVA did, Andy," agreed Ed, "and that proves how thoroughly impractical they were. They were surrounded by coal, good coal, cheap coal, plenti-

ful coal, and they chose to forget it and build dams. One dam, or two or three weren't enough. Ten, twenty, even more dams were needed to get the electric power they needed to put the so-called 'private' electric companies of the region out of business. A billion dollars' worth of dams and generating plants and God knows what else to create electric power which, in that region, could have been produced much more cheaply by steam—which is, in Tennessee and in most other parts of the country except on the Pacific Coast, about one-third cheaper than electricity produced by water."

"I don't know about that," said Andy. "All I know is that they produced electricity cheaper than it has ever been produced before."

"Did they?" Ed Sanderson was being very patient with the kid, but there was a look in his eye that showed he was closing in for the kill. "Maybe you weren't here, Andy, when we discussed TVA bookkeeping. But you were, Mary."

Ed looked around as if for confirmation, but he didn't get it from Mary, who had slipped from the room.

"Probably thought she heard the telephone or the doorbell," Lovina explained. "She's been like that ever since she heard Steve was coming home."

"Anyway, Andy," continued Ed, "your father, I think, had the same idea you have: that TVA had put it all over the regular electric companies when it came to the cost of producing its electricity; but when I pointed out that TVA didn't pay any taxes to the federal government and paid interest of less than one-tenth of one per cent on the money it used, he quickly saw how fallacious the TVA claims to low-cost electricity really were. I hope you'll see it, too, Andy. It's pretty important, for your own sake and for the nation's, that you do."

"You'll have to show me, Mr. Sanderson."

"O.K., Missouri, I will. TVA, which didn't need to build any power dams and which never should have built any,

built a flock of them. You've heard Mr. Lilienthal's description of them. They are colossal. Likewise the expense of building and operating them. Even so, the dams weren't good enough, big as they were, to assure a dependable supply of power—witness the fall down in the drought year of 1941, when the private companies had to come to the TVA's rescue. But we won't go into that again. The point I want to make here is that, because the social-experiment boys went against nature, the real cost of the electricity they produced was *not* low. It was so unconscionably high that TVA rates to its customers, in order to yield a fair return on the taxpayers' investment, should be at least double what they are today.

"My friend's company, on the other hand, being in a locality where water power is plentiful and dependable, and being managed by businessmen instead of theorists, and having no Marxian or other ideology to promote or desire to destroy the nation's economic structure, simply chose a propitious place to build its dams—it didn't need twenty-one of them—and, having kept its capital investment at a reasonable level, has been able to earn reasonable profits at very low rates, and still pay out in taxes twenty-five cents of every dollar it receives."

"They must have had some kind of graft to be able to do that," sneered Andy, "something that doesn't appear on the surface."

"A secret weapon, eh?" laughed Ed Sanderson. "As a matter of fact, Andy, they did. As I said before, they had know-how. That's something that doesn't appear on the agenda of socialistic conferences that draft bills for well-meaning Congressmen to introduce and pass. And it doesn't appear on the balance sheets of companies like my friend's. But it is there just the same. And, as you see, it makes the difference between politics and business, common sense and theory, practicality and ideology.

"My friend isn't a college professor, Andy, or even a col-

lege graduate. He's just a self-made American citizen, who started climbing poles when he was seventeen, worked as lineman, construction foreman, trouble shooter, local manager, division engineer, and just about every other job that is to be found in an operating company. And when he got to be the big boss, he made a great success of his business."

"Financial success, I suppose you mean."

"Yes, Andy Tait, a financial success—among other things. By that I mean that he pays a reasonable return on their money to the several thousand American citizens who have invested their savings in his company. Any objection to that, Andy? Or you, Professor?"

"Maybe yes, maybe no. Depends on the size of the dividends and who gets them. If this man's labor and that of his men go to line the already fat purses of a lot of Wall Street moguls, I'm against it," said Thorny.

"Wall Street? The name is familiar," I said. "William Jennings Bryan used to talk about it, didn't he?"

"I thought it went out of fashion in 1929," said Lovina. "Fat purses certainly did."

"You *are* a bit dated, Professor," continued Ed, "when you talk about the ownership of electric-power companies in terms of Wall Street and fat purses and moguls. Did you ever see a breakdown of the stockholders of a typical power company?"

"I can't say I have."

"Well, I have right here a list of the preferred stockholders of a typical electric company. It was published in the papers" —Ed was deep in the old wallet again—"and I happen to know that it is within a few decimal points of the record on many other electric companies. These are the people you social-experiment boys are threatening to put out of business." He handed me the list to read aloud. Here it is:

HOUSEWIVES	1,723
RETIRED PERSONS	978
SKILLED LABOR Carpenters Electricians Mechanics, etc.	714
FARMERS	405
PROFESSIONAL Architects Physicians Nurses, etc.	359
CLERICAL Bookkeepers Librarians Stenographers, etc.	338
SMALL BUSINESSES Contractors Merchants Restaurant Owners, etc.	281
TEACHERS	230
SALESMEN Retail Clerks Insurance Milkmen, etc.	146
GOVERNMENT EMPLOYEES Mailmen Firemen Policemen, etc.	109
JUNIOR EXECUTIVES	97
SENIOR EXECUTIVES	84

STUDENTS	58
TRANSPORTATION Conductors Engineers Ticket Agents, etc.	45
SERVICEMEN (Army, Navy)	15
FOREMEN	10
NOT SPECIFIED	567
TOTAL	6,159

"You see, Professor, it's not Wall Street that owns the nation's electric companies. It's Main Street. And that list doesn't begin to tell the whole story. Besides these direct investors, there are hundreds of savings banks and life-insurance companies and colleges and hospitals and fraternal orders that have invested their money—*your* money—in electric companies which they know to be under sound, business-like management.

"The three hundred leading insurance companies, for example, own over five billion dollars' worth of electric-company securities. That means that nearly seventy million policyholders have a stake in this business. And forty-five million bank depositors. That takes us all in, or at least ninety per cent of us adults. Don't you think it's about time, Thorny, that you stopped talking about Wall Street moguls and realized that our companies are not owned by a small clique of rich men, but actually, and properly, by the people they serve?"

The Professor maintained a Buddha-like silence.

"Thorny isn't interested in figures," said Lovina.

"Oh, Ma," broke in Andy, "give the Professor a chance."

"You've got me wrong this time, Mrs. Tait," began

Thorny soberly. "I am interested in those figures, Mr. Sanderson, but aren't you exaggerating a bit? The way you put them—and I confess no one has ever put them to me that way before—they involve not only dollars and cents, but lives."

"In many cases, literally so," said Ed. "I know a hundred men and women of advanced years almost within sound of my voice who would never eat again, except as a charge on the community, if your Socialists succeeded in spreading the TVA principle throughout the country."

"I don't say your figures convince me, Mr. Sanderson, because they don't, but I admit I find your conclusions rather terrifying."

"They should be terrifying, Professor, to all of your theorists who are plotting to take their property away from these people. And to the representatives of the people in Washington who aid and abet you in the plot, or who are deceived by your adroit camouflaging into voting you the billions of taxpayers' money that you will need to carry out your schemes. These millions of innocent victims, once they realize that you and those who accept your socialistic theories are taking their means of livelihood away from them, will rise in their righteous wrath and tear you politically limb from limb."

Andy, completely out of bounds, was about to go into his act when, to my amazement, sound died on his lips. I followed his glance, and in the doorway, his face lean and brown and strangely hard, his slim body draped in the khaki uniform of a lieutenant colonel of engineers, his arm around his wife's waist, stood my son-in-law, Stephen Fane.

On his face was an expression of grim bewilderment, such as must have marked the face of Joseph Stalin when he entered unexpectedly a room in which President Roosevelt and Prime Minister Churchill were sitting with their heads together, and spoke the classic line, the only English phrase he knew: "What the hell goes on here?"

But Steve was not a profane man. He looked from Andy's flushed face to Ed Sanderson's earnest one.

"Tear 'em?" he said. "O.K., Boss. I don't know what you're talking about, but I've been away a long time and I'm in a tearing mood. Let's begin right now!"

PART THREE

CHAPTER 1

"ARE THE DAMS PHONY, TOO?"

In which Father-in-law Tait asks, and Son-in-law Steve answers, the billion-dollar question.

It was a week, nearly, before Steve got around to the Old Man.

You couldn't blame the fellow. There were the boys at the plant to swap stories with, and Ed. Seemed like everybody was trying to give him a party, too, lots of folks he never knew much before he went away. And when he was home, there was Mary. They naturally had a lot to tell each other, and most of it, I reckon, was not about the TVA.

Time came, though, on Saturday afternoon, when there was some kind of women's social down at the church and Mother lugged Mary off to help pass the tea and cakes, that Steve and I found ourselves pleasantly alone.

Pleasant for me, because I had always liked the long, slim, capable man my daughter had married, liked his calm tolerance, his poise; and now, after three years, I liked the new sense of maturity and purposefulness which he had found out there in the Pacific. Pleasant for him, I imagine, because he could sit at home in comfortable clothes, peacetime clothes, freed for a spell from the obligations of his khaki-clad role of the returning hero. He was no exhibitionist, our Steve, and he knew he didn't have to put on an act with John Tait.

"Time you were home, lad," I said. "Our Mary was threatening to become a sour old maid."

That was my opening gambit. I hoped it would lead him to the Tennessee Valley; and it did.

"I know," he said, with that slow smile which wiped years

off his face. "It's not good for woman to live alone—or man, either, and don't I know it! Mary has told me about her battles with this Billikin chap, Bowers. I suspect she rode herd on him, all right. Gave him more, perhaps, than he deserved. But how'd it all come about, Father John, this sudden Tait-family interest in the TVA?"

It was fine to hear that "Father John" again—a sort of combination title Steve had worked out all by himself when he came into the family. Sounded a little like a patent medicine at first, but it had come to typify, somehow, our relationship.

"Everybody's interested in the TVA now," I told him. "Maybe you haven't heard about it, but they're planning to put up a lot more of them all over the country."

"I heard about it."

"Way out in the Pacific? Are they even using the short wave for their publicity?"

Steve stretched his smile into a grin. "They're smart fellows. They might at that. But my interest in the TVA and the plans for a flock of new TVA's began long before I went away. Back in the middle thirties. Boss Ed sent me down to Tennessee to look over those first dams and see what was cooking. I learned a lot about their plans then. They are an exceedingly articulate bunch, you know."

"I know."

"Then, when I did get into the service, I found that the commander of our outfit was an old TVA man. He told me a lot of things that wouldn't be so easy for an outsider to find out."

"Good things?"

"Good and bad. Boss Ed's been talking to me, too. He seems to think there's actually some prospect of their putting over their scheme for more TVA's. What do you think?"

"I don't know, Steve. Mr. Lilienthal's boys have certainly been putting on an all-out propaganda bombardment to soften up the electorate and Congress. They had me going,

all right, until I began checking up with Ed and the Professor. If they have the same effect on Congress, they'll get their billions and be on their way."

"It doesn't seem possible."

There was a disillusioned solemnity about this simple sentence which foreshadowed, I imagine, the attitude of a good many of our returning heroes, who have been dealing with realities in their grimmest garb and who come back to find us stay-at-homes still piddling around with fantasies.

"What doesn't seem possible, Steve?"

"That the American public hasn't caught on to those TVA dams yet."

"My God!" I cried, and the expletive was prayerful, not profane. "Are the dams phony, too?"

"Too?"

"Yes, too. First, I believed everything they said about their *financial* setup. Thought it must be O.K. if the government said so. I really thought TVA was a going concern, making money, paying its taxes and the interest on the money it was using. I even believed what they said about returning money to the U. S. Treasury, becoming self-liquidating—"

"I guess Boss Ed scorched that rumor, didn't he?"

"He certainly did. By the time he got through, you couldn't find the pea under either shell."

"Why, Father John!" laughed Steve. "What kind of company have you been keeping since I've been away?"

"Son, I was going to country fairs before you were born, and I've seen some pretty good operators in my time, but I never saw any of 'em pull as slick a job as turning a fifty-million-dollar loss into a twenty-five-million-dollar profit."

"Must be magicians, those TVA bookkeepers."

"They are. Black magicians, I've come to think. And I hadn't recovered from the shock of that discovery when Thorny Bowers came along and blandly informed me that all this talk about TVA being democracy on the march was

plain hooey—that it was socialism that was doing the marching. And how! He proved his point, too, quite as effectively as Ed Sanderson had proved his. It was a sort of pincers movement—with Ed, the practical man, on one side of me, and Thorny, the theorist, on the other."

"You were certainly in the middle."

"I was. After having previously gone to bat for Mr. Lilienthal's outfit both financially and ideologically, I emerged with a sadly deflated idea of my own perspicacity—if you know what I mean."

"And a deflated idea of Mr. Lilienthal's perspicacity?"

"I guess there's nothing the matter with Mr. Lilienthal's perspicacity. But there was obviously something the matter with the TVA, both as a business concern and as a social experiment. And now, I take it, you're going to tell me it's also an engineering bust."

"Yes and no," replied Steve. "The TVA dams aren't likely to fall down, if that's what you mean. They couldn't be as bad as that with unlimited money to spend and good men like my colonel to do the engineering on them. But they aren't what they're touted to be just the same. There's a dead fish somewhere underneath all that stone."

"And twenty Empire State Buildings," said Mary, who had returned with Lovina from their tea and cakes, "and two and a half Panama Canals and four Boulder Dams and the Great Pyramids of Egypt multiplied by twelve and—"

"Mary," I interrupted, "this young man is your husband, not Thorny Bowers, and he was about to tell us what ails the TVA dams."

"My guess would be elephantiasis," she said.

"You'd be right, in a way," laughed Steve.

"Too much and too soon?" I asked.

"Too much, certainly, and too expensive. But the point I was making is that the TVA Act says that they must be flood-control dams, whereas they aren't flood-control dams in the

real meaning of the term any more than I am General Dwight D. Eisenhower."

"Can you make that statement a little clearer to a layman, son?"

"Yes. You don't build flood-control dams as high as skyscrapers, and you don't build them the way TVA builds them. Flood-control dams are moderately low dams and only moderately expensive. Power dams are high dams—the higher, the better—and they are very expensive. TVA dams are not flood-control dams. They are power dams. We have Mr. Lilienthal's word for it. I remember a speech he made in 1935 while I was down in the valley, in which he said: 'These dams are power dams. They are being built because they will produce electric power.'"

"Have you ever seen a real flood-control dam, Steve?"

"Yes. There are some excellent ones out in Ohio—engineered, as it happens, by the same Doctor Arthur E. Morgan who was later to become the first chairman of the Tennessee Valley Authority, and still later was to be ousted from that position and replaced by Mr. Lilienthal because he couldn't see eye to eye with his fellow directors."

"On this dam business?"

"On a lot of things. The fight to get rid of him made the front pages for a couple of years in the late thirties. The Doctor didn't take it lying down. He carried his case to the Supreme Court, but the Court couldn't do anything about it: The President had the right to kick him out, and that was that."

"And the round went to Mr. Lilienthal?"

"Not only the round, but the whole bloody fight. So far as the control of TVA went. But there were a lot of people who weren't satisfied with the verdict. My colonel and I, for two. You see, Arthur Morgan was an engineer, not a politician—a great engineer, too. I got this new book out of the library today, *The Valley and its People,* by R. L. Duffus. It's about

the TVA, and is even more laudatory than Mr. Lilienthal's own book, but Mr. Duffus, who is an experienced and distinguished writer, does not hesitate to pay tribute where tribute is due. Doctor Morgan, he said, 'was fanatically honest to the last penny and the humblest job under his control; and he was also a dreamer, thinking in terms of little industries, of new kinds of communities, of the changing lives of people.' "

"But if he was that kind of man," said Mary, "how did he get mixed up with that bunch in the first place?"

"Because he *was* that kind of man, I guess—'fanatically honest,' as Mr. Duffus said—and he took the whole TVA proposition at its face value. A lot of people did, you know. I'm not so bitter as Boss Ed is. Perhaps that's because I haven't been up against all this socialistic stuff as long as he has. Anyhow, when the President asked Doctor Morgan to become chairman of the TVA's board of directors, he jumped at the chance to perform what he believed would be a great public service."

"I don't suppose he knew that these alleged flood-control dams were to be used to generate power."

"I wouldn't say that. The Doctor knew that powerhouses were to be built to take advantage of incidental power as a basis for comparison with power produced by existing electric companies. Those were the President's orders. But he wasn't in Mr. Raushenbush's confidence, or Carl Thompson's. He didn't understand that flood control was to be subordinated to power. And, of course, he thought the proposed 'yardstick' was to be a fair one, not the phony thing that the social-experiment boys subsequently evolved."

Steve reached over and pulled out of the pocket of his discarded coat a leather pocketbook which was almost the duplicate, in fatness and wornness, of Ed Sanderson's.

"Steve's got a wallet, too," laughed Lovina.

"Arthur Morgan is a sort of hero of mine," continued Steve

seriously, not realizing that he was Number Three in the wallet parade. "I rather think he is of most engineers and of a good many other people who still believe that honesty is the best policy. In the light of what has actually happened in the Tennessee Valley and what is threatened for all the rest of the country, his ingenuous belief that TVA was exactly what it pretended to be is almost pathetic. Here's a clipping from an article he wrote in *The Forum* of March, 1935:

> "The President wishes that somewhere in America there should be a case of public generation, distribution, and sale of power. He is of the opinion that power developed in this country ought not everywhere be a public project, that private development of power has decided advantages and ought not to be abandoned. But he feels there ought to be here and there cases of public ownership which can serve as comparisons. And if they are to serve as comparisons, they must be open and above board, with nothing hidden. They must be fair, with no special arbitrary advantages. They must pay taxes, just as private utility companies must do, and every reasonable charge, if they are to provide us with a fair comparison."

"No wonder he and Mr. Lilienthal couldn't agree," I said.

"Well, you can imagine that Doctor Morgan was a very unhappy man when he saw the way things were going in TVA—the subordinating of flood control to power generation, the avoidance of taxes and interest obligations, the brazen abandonment of any attempt to arrive at an honest yardstick, and the reckless piling up of debts that could never be repaid. As a 'fanatically honest' man, he was in a spot."

"I should think he would have been glad to get out, a nice man like that," said Mother.

"He probably thought it was his duty to stick on the job and fight against the power interests in the Authority. But he never had a chance. He was nominally the head of the enterprise, but actually he was only one of a board of three

directors. Lilienthal and his fellow director could outvote him, and did. Morgan wasn't much of a diplomat. He said what he thought, and he thought plenty.

"The situation became public property," continued Steve, "when the Doctor clashed with the other two on how to handle the claim of a New Deal labor leader named George L. Berry, who had acquired an interest in some marble deposits which would be put underwater by the Norris Dam. From that time on, Doctor Morgan wasn't a bit backward about letting the world know what he thought about the way things were going in the TVA.

"Mr. Duffus, in his account," continued Steve, "makes this point very clear. Although not siding with Doctor Morgan, he states with utmost fairness that the Doctor feared that his associates, in their anxiety to bring in cash returns, were over-emphasizing the production of power. Duffus even records that Doctor Morgan accused the TVA legal staff in the Tennessee Electric Power Company suit of asking the Authority's engineers to 'give testimony of a misleading character,' and his fellow director, Mr. Lilienthal, of 'hard-boiled, selfish intrigue.'"

"Those were pretty strong statements that your friend Doctor Morgan made. Did he have a chance to prove them?"

"Well, he demanded a Congressional investigation, and got it. The committee took over six thousand pages of testimony, but the whole thing boiled down to a lot of personal charges and countercharges, and the final report, while admitting that the TVA accounting system was 'extremely unsatisfactory,' ended up by saying the usual noncommittal nice things about everybody concerned."

"What do you think of it all, Steve?"

"Oh, I daresay there was something to be said on both sides. The Doctor, as I say, was no diplomat. The situation couldn't go on. The President had to kick somebody out, and he chose Doctor Morgan. The importance of the whole affair

in our discussion is that the first exposure of the questionable course TVA was pursuing came not from the outside but from the inside; that the Authority's severest critic was its dearest pal, the man the President had himself chosen to administer the entire enterprise. Doctor Morgan had no ax to grind and no money to lose. He wasn't prejudiced as Boss Ed or I might be. He was a 'fanatically honest' public servant, and he was in a position to know whereof he talked."

"It makes you very thoughtful, that does," I said.

"It does, indeed," agreed Steve. "It makes the whole incident doubly important."

"Maybe I'm wrong," interposed my daughter, "but I should say that the outcome of the incident was even more important than the incident itself, since it left this Mr. Lilienthal and his social-experimenter friends free to conduct the TVA as it is conducted today."

"And free," I added, "to build the kind of dams they are building today."

"Yes, Steve," said Lovina, "how about those dams? You were going to tell us more about them."

"Oh, that!" laughed Steve. "As Mr. Chaucer or Mr. Boccaccio would say, that is 'The Engineer's Tale.' "

CHAPTER 2

THE ENGINEER'S TALE

In which our Colonel Steve Fane gives our Professor Thorny Bowers a few plain facts about flood control.

I WOULDN'T say that Steve Fane was a typical returning soldier. He was older than many of our boys, and older-acting

than most. And certainly Thorny Bowers was no typical professor, certainly not the funny-paper kind. He was far too gay and ingratiating and rosily round. Yet, the two did somehow typify the two extremes of the American youth conflict, on the result of which our future as a nation depends.

Steve was, above all, a man of action. He thought fast and to the point. He talked concretely, graphically. Even at his ease, he gave the unmistakable impression of a man who all his life had been doing things. Thorny, on the other hand, was a sitter. If he had ever moved quickly and purposefully to attain his ends, he showed no sign of it; certainly he showed no sign of any intention ever to repeat the process if he could possibly avoid it; and you had a pretty good idea that he *would* avoid it.

My own interest in the meeting of these two young men around the Tait-family dinner table went much deeper than the waters of the Tennessee. I was anxious to see its effect on my son Andrew.

I had long since despaired of anything that Ed Sanderson or I might say having any great influence on the youngster's thinking, so long as he remained under the Bowers spell. It used to be that the young learned from the old. Now, apparently, they learned only from other young. And Steve, although a good fifteen years older than Andrew, was twenty years younger than Ed and me. He might get by. If he didn't, I couldn't see how I was going to escape having a little Raushenbush in my home.

"My son-in-law, Professor, is an engineer," I said by way of starting something. "He may have something to contribute to our TVA discussions."

"You bet he may," interposed Mary.

"Good!" exclaimed Thorny with his usual disarming good nature. "Andrew here was telling me, Colonel, that you aren't exactly an admirer of our TVA dams."

"On the contrary, I admire them greatly. Who could help

doing so, what with all those beautiful pictures of them sticking up at you wherever you turn?" Steve, not to be outdone in good nature, grinned across the table at Thorny. "But I hardly need to remind you of Mr. Lilienthal's famous remark that 'these dams are not being built for their scenic effect.' "

"Your approach is very properly a practical one, Colonel, and there you have me at a disadvantage."

"Why, Thorny, I thought you were a realist," laughed Mary.

"But not an engineering realist, Mary. I'm sure I won't understand a word your husband says, but if he wants to try to enlighten me about dam building, I'll do what the Romans did to Mark Antony—I'll lend him my ears."

"That's fair enough," laughed Steve, "and I'll make it as painless as possible. As a matter of fact, the principles involved are simple enough. Most of us built dams out of mud when we were kids so as to make puddles to wade in or sail our toy boats. Big boys who build big dams out of concrete and make lakes like Mr. Lilienthal's lakes are doing the same thing. They are simply building walls across streams to keep the water on one side and to keep it away from the other side.

"Well, originally, all dams were like that—simply walls, with the water falling over the top when the river was at flood and no water falling over when it was in drought. This was a most unsatisfactory and dangerous situation because the valley below the dam was alternately filled to overflowing with water or left practically dry. So some smart chap—he didn't have to be an engineer—had the bright idea of boring a few holes in the dam."

"Sounds silly," said Lovina, "a dam with holes in it."

"It would be silly if the holes, or sluices as they are called, weren't of the right size and in the right place. That's where the engineering came in. The holes had to be just large

enough to let through the amount of water which the channel below the dam could safely accommodate and low enough to keep the water in the reservoir above the dam, except during the flood periods, so low that when the floods came there would be plenty of room to receive them. That's flood control."

"I get you," I said. "The secret of effective flood control is an empty reservoir, or a substantially empty one."

"Exactly."

"Not beautiful lakes with bathing beaches and lovely little pleasure boats! How is it Mr. Lilienthal describes them?" Mary reached for the TVA Bible. "Here it is: '. . . the newly created "Great Lakes of the South" . . . deep blue waters set among high mountains and abounding with game fish.' "

I didn't mean to be irreverent, but that apotheosis of man-made—in Mr. Lilienthal's case, personally made—artificial lakes reminded me of Frank Case's story about the writer who visited a new-rich friend in the country. "You see that tree," said the friend. "It stood for fifty years on top of the hill. I had it moved down here so on pleasant mornings I can do my work in its shade." Said the writer: "That just goes to show what God could do if He had money." I didn't voice this thought. What I said was:

"Mary, let Steve tell it. He's doing all right."

"Thanks, Father John. But Mary is right in principle. A reservoir designed to give real and effective flood control provides very little room and very little sustenance for game fish. Its only job is to be as empty as possible during normal times so as to provide ample storage for the floods during abnormal times. Follow me, Professor?"

"I'm panting, but I'm keeping up."

"Is that the kind of dam that nice Mr. Morgan built out in Ohio?" asked Mother.

"Yes, that's the kind of dam most good engineers build if their one and only object is to afford effective flood control.

And they jealously guard against use for any other purpose, especially for generating power. Doctor Morgan's dams were built in what is called the Miami Conservancy District of Ohio, and here I have an excerpt from the report of the District's consulting board. Here, Andy, read it aloud."

This was what Andy read:

> "Reservoirs are frequently used for the development of water power and for other purposes besides flood prevention. Such uses, however, are essentially antagonistic to the purposes for which these reservoirs are recommended in this valley. The use of these structures as 'dry reservoirs' to impound flood water only during flood periods and to remain dry during other conditions of flow, adds so greatly to their safety and stability, that we strongly advise that they be utilized for flood prevention only and not for any other purpose."

"So, to make sure there was no misunderstanding on this point, they placed on each dam a plaque stating: 'The Dams on the Miami Conservancy District Are for Flood Prevention Purposes. Their Use for Power Development or for Storage Would Be a Menace to the Cities Below.' "

"That's plain talk," I said.

"Sound talk, too, Father John. If the TVA had built that type of dam, they would have had real flood control—and at a minimum of expense, for such dams cost comparatively little to build and almost nothing to operate. They don't need to be any higher than is necessary to hold back the floods, and because they are low they don't create as large a reservoir behind them, and, since the reservoirs are normally empty, the land can be used most of the time. But the higher the dam the bigger the acreage that is inundated, and the higher the price that must be paid for those acres."

During this calm, workman-like exposition of the facts of life among dams and damsters Son Andrew's eyes never left the clean-cut, upstanding man whom he had long since ac-

cepted wholeheartedly as his big brother. The fact that he was also the boy's current hero may have helped. Perhaps it was an unfair advantage in the fight I was staging against Thorny Bowers' control of the boy's mind. But Steve couldn't be blamed for that; he had earned it.

"Then why didn't they build that kind of dam?" asked Lovina.

"Because Mr. Raushenbush and Mr. Carl Thompson hadn't planned it that way. Isn't that right, Thorny?"

"Yes, Mary, and the President hadn't planned it that way, either."

"That's true, Professor," Steve agreed, "although personally I am quite willing to believe that the late President's reasons were quite different from those of the Socialists you have mentioned. I can't believe that he intended to join in these Socialists' attempts to use electric power as the first wedge in the campaign to socialize American industry and put it on the same basis as German and Italian industry, but, as Doctor Morgan said, he did want a 'comparison'—Raushenbush's word was 'yardstick'—and he couldn't get a 'comparison' or a 'yardstick' that was worth anything out of a flood-control dam."

"He didn't get one anyway," snapped my daughter.

"True. But let's assume that he didn't know that TVA's accounting system was going to be bitched. The point is that a dam with a dry reservoir behind it cannot generate power."

"You'll have to explain that one, Steve," said Lovina. "I'm panting worse than the Professor, and I'm not even keeping up."

At this point my son Andrew entered the fray—and, to my great relief, on Steve's side.

"I know the answer to that one, Ma," he said. "Power is generated from falling water, and if there isn't any water to fall, there isn't any power generated."

"That's it in a nutshell," agreed Steve. "I ought to let you tell this story, Andy."

The boy beamed his pride at the older man's praise, but shook his head. "You're doing all right, Steve," he said.

"O.K.! Well, it's this way, Mother Tait. An electric-power generator could be attached to a flood-control dam, but it would be useful, as Andy says, only when there was a good deal of water in the reservoir. That would happen only during the brief period of flood and right after, while the water was running automatically and gradually through those sluices I told you about and getting the reservoir empty and ready to hold back the next flood. Such incidental and intermittent power would be available so seldom that the expense of building and operating a powerhouse could not be justified. Electricity to be of real value must be continuous and therefore dependable. The only dam that will do that and do it effectively is a power dam."

"And what's a power dam?" Lovina was bound to get to the bottom of this problem.

"I'm talking too much," sighed Steve. "If you won't tell your mother, Andy, I'll have to ask the Professor."

"Include me out, Colonel. I did my share of talking before you came back from the wars."

"I'll say you did!" agreed Mary. "Fire away, Steve."

"All right. I seem to be elected. Well, the principle of the power dam is the exact opposite of the principle of the flood-control dam. It is built high instead of low—not just as high as is necessary to keep back the water in time of flood, but as high as the banks of the river will allow, so as to afford the maximum fall of water at all times."

"The higher the fall, the greater the power?"

"Yes, Father John. And the power dam has no holes near the bottom to let out the water, but it does have holes near the top which carry the water down through long sloping hatchways inside the masonry to the powerhouse at the foot

of the dam. It is this fall of water that turns the turbines in the power plant and generates the electricity."

"That's clear even to me," allowed Thorny with generous admiration, "but tell me, Colonel, what does it prove?"

"It proves that you can't get effective flood control out of an exclusively power dam any more than you can get dependable power out of an exclusively flood-control dam."

"How does it prove that?"

"Now, Thorny! You don't mind my calling you Thorny?"

"Not at all, Steve."

"O.K. With your brains, Thorny, it should be a cinch. The essential factor in flood control, as we have seen, is an empty reservoir. Right?"

"Right."

"And the essential factor in a power dam is a full reservoir. Otherwise, the water wouldn't get up high enough to run the water wheels in the powerhouse. Right?"

"Right again."

"O.K. That's all you need to know. In a reservoir that is already full, there is no space to store the excess waters that come in flood times. So there is no place for the flood water to go except over the top of the dam and down the spillways into the valley below. That, I submit, is *not* flood control."

"Of course it isn't," agreed Thorny, "but isn't there a compromise? And didn't TVA find it?"

"It's my turn to say 'right,' Thorny," said Steve. "There is a compromise—a compromise between safety and socialism. And TVA found it. And we and our children and our children's children will be paying for it all the years of our lives —or, at least, until we find a way to correct the impossible situation which that compromise has created."

CHAPTER 3

THE BILLION-DOLLAR COMPROMISE

In which TVA is unable to accentuate the positive or eliminate the negative—and becomes Mr. In-Between.

"You see, Thorny, your social-experiment boys were in a spot."

"*On* a spot," corrected the cherubic professor. "That, I believe, is the approved phrase."

"No. That's old Chicago stuff, vintage 1932. The boys who were *on* the spot in those days were wiped out. Your boys escaped."

"Maybe," interposed Mary, "they had friends higher up."

"Maybe they had. Maybe they still have."

"But maybe they'll get 'em yet, the same way they got Al Capone."

"How was that?" Lovina asked.

"Failure to pay their federal taxes."

"There are too many maybe's in this conversation," I said. "Steve was putting a serious proposition to the Professor."

"Failure to pay your taxes is also a serious proposition, Dad. Or isn't it?"

"It doesn't seem to be in the case of the TVA," commented Lovina.

"I protest," exclaimed Thorny, "against being blamed for TVA's fiscal policy. I don't care whether it pays its taxes or doesn't."

"But we care," insisted Mary, "because, if the TVA doesn't pay them, we have to. Even I know that."

"Children," I cried, "I protest, too. Steve and the Professor were talking."

"Steve was talking," said Thorny, with more of a burr in his voice than I had heard before.

"Right. It's your turn now."

"O.K., Steve, I'll bite," said Thorny. "What was the spot my friends were on or in?"

"Well, they had to give the valley folks some measure of flood control because that was the excuse Old Man Norris had used to jockey the TVA Act through Congress—that and navigation, which was supposed to make it legal. And they also had to produce a lot of electricity or they would never be able to start socializing—or Hitlerizing, if you prefer the term—all industry."

"I don't like that word 'Hitlerizing,' " protested the Professor.

"I bet you don't," continued Steve. 'But the parallel between what the Nazis did to German industry in their first years of power and what Raushenbush's and Carl Thompson's disciples are trying to do in their first years of power in Tennessee is inescapable. You aren't the realist Mary thought you were, Thorny, if you blink that fact."

"No, Thorny, you're definitely slipping," said Mary. "You no longer have a federal job like Comrade Raushenbush and Comrade Thompson, and now you want to disown Comrade Hitler."

"Mary," I said, "don't ride the Professor too hard. I am sure that he doesn't share many of Hitler's views—the ones we loathed him for."

"Of course I don't," Thorny protested.

"Nevertheless," Steve persisted, "we must not blind ourselves to the fact that Hitler realized that in an industrial country like Germany—or the United States—control of the national economy is the key to the control of the nation itself."

"Then it should be in the hands of the people, not in the hands of plutocrats."

"Plutocrats?" I murmured. "That's another William Jennings Bryan word, Professor. I haven't heard it since October of 1929."

"I agree with Thorny, Father John," said Steve, "that our economic system should be in the hands of the people, and I believe that in this country it is. It wasn't always. That's when words like 'plutocrats' took on their sinister meanings, and rightly. But now we have worked out a system which protects us against arbitrary control either by businessmen or politicians—worked it out not by theorizing, but by trial and error."

"Mostly error!"

"O.K., Thorny. But I hope we'll have sense enough not to make the error the Germans made! I haven't time to go into that in detail, but if you are looking for a little helpful homework, I can recommend a volume published a year or so ago by the Brookings Institute. The title is *How Nazi Germany Has Controlled Business.* The technique, you will find, is very familiar."

The Professor was again losing a bit of his geniality under Steve's relentless marshaling of arguments against Mr. Raushenbush's theory of encroaching control. "And what," he demanded, "is this wonderful protection that you think we have worked out in this country, and what is its application to the subject in hand?"

"It's very simple, really," Steve replied. "The American economic system, which has evolved, as you suggest, mostly from our past errors, is, like the American political system, one of checks and balances. Businessmen operate business. The government regulates it. The individual has the right of appeal from one to the other. When operator and regulator are one and the same, as in the TVA, the individual has no right of appeal because there is no one to appeal to. That was the system in Adolf Hitler's Germany. It is the system in TVA's Tennessee. And it will be the system throughout the

country if your Raushenbushes and Carl Thompsons get their way and all these new TVA's become a fact."

"Let's talk about dams," suggested Thorny.

"All right, let's. The TVA couldn't build flood-control dams because they didn't give power, and they didn't have the nerve to build power dams because they didn't give flood control. So they hit upon an elaborate and, as we know, incredibly expensive type of dam to which they gave the impressive name 'multiple-purpose.' "

"It impressed me all right," I admitted.

"It impresses all who hear it, whether they know what it means or not."

"Just what does it mean?" asked Lovina.

"That the same dam can be used for many purposes: For example, flood control, navigation, prevention of soil erosion, and, of course, hydroelectric power."

"And the TVA dams *are* being used for all those purposes," insisted the Professor.

"Directly or indirectly, yes."

"What do you mean, indirectly?"

Steve laughed. "Certainly not indirectly so far as electric power is concerned! Perhaps the best way to explain what I mean is to explain the principle on which this jack-of-all-trades dam is constructed."

"Keep it simple," begged Thorny.

"You should have spoken to Mr. Lilienthal about that. The average TVA dam is a pretty complicated structure."

"As complicated as the TVA financial structure?"

"No, Mary," laughed her husband, "and not half so difficult to understand."

"We can take it, then."

"O.K., let's go. And in the interest of that most desirable simplicity which the Professor requests, we won't bother with navigation and soil erosion at this point. River transportation is not an especially lively issue anyhow in these days of

fast trains and faster airplanes, and you don't need to build high and therefore expensive power dams to make a river navigable. So navigation at best was only a constitutional peg on which to hang the power program. Am I right, Thorny?"

"Yes."

"As for the fight against soil erosion, we'll all agree that any kind of dam on the Tennessee would have helped that—and a worthy cause it is, too. O.K.?"

"O.K."

"But flood control is different. In the first place, it is properly a very popular issue. Everybody is interested in it, and almost everybody—including every electric company—wants it. A recent public-opinion survey asked the question: If these dams could be used for only one of these purposes (flood control or power generation), for which should they be used? Seventy-one per cent of the answers said flood control. That was evidence from the people that the TVA could not ignore. Also, as we have seen, effective flood control can be obtained only by dams which possess certain definite features. The TVA problem was, therefore, from an engineering standpoint, not so much a multiple-purpose one as a dual-purpose one. Again, am I right, Thorny?"

"Right."

"Well, that wasn't a new problem—for us engineers, I mean. Long before the TVA began, engineers pondered the question of whether it was physically possible to combine the diametrically opposite principles of flood control and power generation in one structure. As a result, a good many power dams were equipped with gates at the top which, theoretically, could be opened when a flood was anticipated and the level of the water thus lowered to a point where the reservoirs, once the gates were closed again, would have at least some storage space available for the flood water when it came.

"This was a primitive arrangement, no matter how you

looked at it. In the first place, as we have learned to our sorrow almost every spring, floods, which depend on so many imponderable factors, are about the most difficult things in the world to anticipate. Like some other unwelcome guests we all know, it is impossible to foresee accurately either the time of their arrival or the length of their stay. The chances are that the gates at the top of the dam will be opened too little or too late.

"Even if the dam operator had a crystal ball, it wouldn't make much difference, because the gates, since they must be at the very top of the dam so as not to interfere with the flow of the water through the high-up holes that lead down into the power plant, can produce at best only a shallow storage space for the oncoming floods."

"Why couldn't the gates be put lower down on the dam, like those holes you told us about on the flood-control dams?" Lovina asked.

"Oh, Ma," said Andy, anticipating Steve's explanation, "can't you see that if they did that, there wouldn't be any water to fall through the hatchways into the power plant and keep the turbines turning?"

"You've got me all mixed up," wailed Lovina.

"You aren't any more mixed up, Mother Tait, than we engineers have been over this problem of trying to overcome the seemingly insurmountable problem that the poet so well phrased when he said, 'Never the twain shall meet.' The point about the gates is that if they are up at the very top, above the holes provided for the steep fall to the powerhouse, they won't lower the level of the water enough to provide effective flood control, and if they are below those holes, they will lower the level of the water so much that there won't be any power—which, from the TVA's standpoint, would defeat the whole object of the undertaking, since electric power, to be any good, must be continuous and dependable."

"I think I understand," said Lovina, "and I think that the TVA boys were, even with one of these combination dams—"

"Twenty-one of them, Mother."

"Yes, even with twenty-one of them, the TVA boys were still what you call 'in a spot.'"

"Right, Mother Tait, they were. You have seen what the best engineering authorities thought about trying to use flood-control dams for power purposes in the case of the dams Doctor Morgan designed in Ohio. TVA didn't dare go ahead with any such botched and discredited type of dam. Only one way out remained to them, and that they took."

"And that?"

"Was the skyscraper dam."

"I know," said Mary. "Forty-six stories, wasn't it?"

"Maybe more, maybe less. The point is that the dams were built as high as was necessary to superimpose one type of dam on top of another."

"I don't get you," I said.

"It's this way. To put flood gates at the top of an ordinary power dam is a footless proceeding, because the distance between the top of the dam and the high-up outlets that lead to the power plant below is so narrow that the storage space provided for the flood water—even by opening and closing the gates—is hopelessly inadequate. Build the dams high enough, however, so that the space above the high-up sluices that lead to the power plant is equal to the height of the ordinary flood-control dam, and theoretically you have eliminated most of the factors which interfere with effective flood control."

"Theoretically?"

"One thing at a time," said Steve. "Our friend Thorny suggested that there was a compromise, and that the TVA had found it. And I'm simply telling you what kind of compromise they tried to make."

"I think that was very clever of Mr. Lilienthal," said Lovina.

"I do, too," grinned Steve.

"Why didn't some of you engineers think of it before?" I asked.

"We did. But we didn't have the U. S. Treasury to pay our bills! Our clients who built power dams had to pay interest on the money used to construct them and taxes on the income received from their operation. In our simple American way we never foresaw the possibility of building any kind of dams we wanted to, with nobody caring how much they cost or whether interest and taxes on them would ever be earned or paid. We were engineers, not social experimenters. We couldn't foresee the TVA millennium. We couldn't imagine that ever in our lifetime would there be a complete moratorium on common sense. For that's what has happened in the valley of the Tennessee—and that is why, as I said before, unless we find a solution to the problem, we and our children and our children's children will be paying for it all the years of our lives."

"You mean that it is economically impossible that the money all those high dams cost will ever be paid back?"

"Yes, Father John, impossible is the word for TVA."

"I should have thought anybody could have seen that from the beginning," said Mary.

"I agree with you," replied Steve.

"Yet Mr. Lilienthal stated in so many words at an Appropriations Committee hearing in the House of Representatives that 'we expect our revenues to liquidate the entire investment in fifty years,' " I said.

"I know," said Steve, "but that doesn't change the facts."

"I should hate to believe that a man in Mr. Lilienthal's position would deliberately go to Congress for money on the basis of statements which he knew to be contrary to the facts."

"You don't have to," replied my son-in-law. "Lilienthal is not an engineer. He's a practical politician and a dreamer. Funny combination, but it does happen! I wouldn't answer for all of his organization's highly publicized financial statements and prophecies. It is hard to see how they can be—what shall we say?—disingenuous. But I'm willing to think that Lilienthal really believed what he said, and that he really didn't foresee what a mess these skyscraper dams were getting him into."

"Financial mess, you mean?" said Thorny.

"That, first of all. I've explained to you that flood-control dams are a lot less expensive than power dams, and that if the TVA backers had been on the level about providing flood control as the one essential for the Tennessee Valley, the greater part of the taxpayers' money might have been saved. But that doesn't mean that flood-control dams are small-change affairs. Any kind of dam costs a lot of money. And power dams cost more than flood-control dams because they are higher, need deeper foundations, more concrete, et cetera.

"Well, you can imagine what a long series of high dams that pile one of those outlays on top of another would cost. Or perhaps you can't. I know I couldn't until I looked up the figures and saw how the TVA had gone back to Congress year after year for more money to sink in that big parade of dams—five hundred million dollars, then six hundred million, then seven hundred million, until now, according to Mr. Lilienthal's own statement, 'the people of the United States will shortly have invested in the various installations of the TVA approximately a billion dollars.' "

"So that was the compromise TVA made?"

"Yes, Father John, the billion-dollar compromise!"

CHAPTER 4

THE HUMAN FACTOR

In which Steve has the very bad taste to bring up a subject which social experimenters usually forget.

"The dams may have been expensive, Steve," said Thorny, "but they did accomplish their object."

"Depends on what you mean by 'accomplish.' You can accomplish almost any material object if you have unlimited money to spend on it and you don't feel any moral obligation to pay that money back or even to pay interest or taxes while you are operating with it. You can do almost anything to a comparatively small river like the Tennessee, for instance, if you don't care how many dams you build or how high you build them or how much they cost or how many square miles of rich farmlands you put permanently underwater in the giant reservoirs created by those unnecessarily high and unnecessarily numerous dams. But that doesn't make the so-called accomplishment admirable or—according to my code, if you are using other people's money—even honest."

"But results are what count," insisted Thorny, "and you said yourself that the skyscraper dam had eliminated all of the factors which interfere with effective flood control."

"I said 'theoretically' it had. And even that was going too far. I should have said 'theoretically all of the factors—except one.'"

"And what is that?"

"The human factor. You can, as I said, accomplish almost any material object if you have unlimited money to spend on

the undertaking, but even with the United States Treasury to draw upon, you can't make over the human mind."

"I don't see what you're driving at," protested the Professor.

"You do, don't you, Andy?"

The boy squirmed a bit, a reflex action, I imagine, to his mentor's discomfiture, but he came through manfully.

"I suppose you mean, Steve, that the sluices of the real flood-control dam are always open, and the gates of the combination dam you have described are closed until somebody opens them."

"Good for you, boy!" grinned Steve. "The Raushenbushes of this world haven't blinded you to the facts of life, after all. I believe you *are* slipping, Thorny."

"Perhaps I am," the Professor answered testily, "but, with competent people to man the dams, I fail to see what difference it makes whether you have gates or sluices."

"I'm afraid you don't want to see it, Thorny, and neither does any other defender of these so-called multiple-purpose dams, because to do so—or, at least, to admit that you do so—would be to lay bare the basic fallacy of the entire enterprise. For the secret of effective flood control is that no man, however well intentioned, shall be able to interfere with it."

"But who would want to interfere with it?"

"No one, of course, who had a spark of decency in him, Thorny. But that doesn't mean that somebody, even a very decent somebody, wouldn't. Don't forget that these TVA dams were built primarily for power purposes, but TVA uses the same storage space behind the dams for two purposes—power and flood control."

"Which, I believe you said, isn't practical."

"Right," said Steve. "In my opinion, it is downright dangerous."

"How do the TVA people explain it?"

"They say they plan to have the storage space empty when the flood comes, and fill it up when the flood passes."

"Sounds silly."

"And is," agreed Steve, "because it's taking chances on that most unpredictable thing called weather. There's a mistaken impression going around that weather prediction has become an exact science. The plain fact is that it is still in a very amateur stage. The weather bureaus do the best they can. Their day-to-day predictions are surprisingly accurate. Beyond that, they can do very little.

"Our armies found that out over and over again in this war. General Eisenhower waited in vain for the promised good weather that was to make D Day in Normandy a sunny day's excursion. We boys in the Pacific have been up against the same unpredictability in our island jumping. We never knew—and no one *ever* knows—when best-laid plans will be upset by unexpected gales and cloudbursts.

"This is especially true of efforts to gauge the probable rise and fall of rivers, where sudden, unforeseen rainfalls in distant mountains may precipitate an immediate crisis in a great industrial city or a rich farm country several hundred miles away. We had a mild version of this ever recurring unpredictability last spring when the probable extent and duration of the rainfall in the Middle West were subjects not of scientific determination, but of daily newspaper conjecture.

"To expect unerring judgment in these matters from the men who open and close the gates of these so-called multiple-purpose dams is to demand an omniscience which, in more than four thousand years, mankind has not been able to achieve."

That last statement, I could see, sank deeply into all of the listeners to Steve's exposition of TVA's—what shall we call them?—extravagances. Andy, I could see, was now hanging on his soldier brother-in-law's every word.

As for Old Man Tait, I didn't know any more about such things than Lovina did, or Mary, or, for that matter, Thorny Bowers. I had been able to sit in on Ed Sanderson's demolishing of TVA's financial pretensions, and understand what it was all about, because I was a businessman and was beset by all the problems which TVA so blandly ignored; and the Professor's own evidence about the TVA being a socialistic product instead of a democratic one was too convincing for even the veriest moron to miss.

Engineering was something else again. I would have to take that on faith. But I had faith—faith in Stephen Fane. And what he was saying now about the unwisdom of substituting guessing about the weather for automatic flood control by properly constructed flood-control dams was, to my way of thinking, an unanswerable arraignment of TVA's compromise with danger. It surely wasn't right to imperil innocent human lives just to advance the cause of Raushenbush and Carl Thompson and Thorny Bowers!

"The army, Thorny, is as good a place as any to study human nature," Steve was saying. "Even against a background of extreme regimentation the idiosyncrasies of the individual stand out. I did a spell in the hospital down under—"

"You never told me," said Mary.

"It was nothing, just a touch of jungle fever. Most of us got it those first months before we learned how to protect ourselves. What I remember chiefly—and its application to the present problem may seem a bit obscure—was how other men slept."

"Slept?"

"Yes. Of course, the wounded, poor fellows, didn't have much choice, but we fever boys showed our individuality. Some slept on the right side, some on the left, some on the back, some on the tummy, some with pillows, some without. No one slept just like anyone else. There was a boy next to

me who would push his pillow aside, grind his right cheek firmly into the hard surface of the cot, twist his neck until he was four-square on his stomach, crook his left wrist into his collarbone, grab his right buttock with his right hand, and sleep like a summer baby. That guy was a right-handed tummy sleeper, and all the regimentation in the world wasn't going to make him different."

"Do you mean to imply that his reaction to signs of rain would be different from that of a left-side or back-side sleeper?" The Professor was heavily sarcastic.

"Could be," laughed Steve. "His reaction to the sleep problem was certainly his own, and there's every reason to believe that his reaction to other problems would be equally individualistic! But it wasn't just the sleeping postures of these boys that taught me that human nature is as unpredictable as the weather itself. Their conversation, a large part of which was devoted to the GI's favorite topic ('When in blank is this blank-blank war going to be over?'), showed every possible variation in human reaction—from that of the careless thinker to the overcautious, the habitually optimistic to the habitually pessimistic, the observant to the unobservant, et cetera. Even you, Thorny, if you were standing in the path of a possibly devastating flood, would hesitate to entrust the fate of your beautiful young life to the snap judgment of any of these unpredictable types."

"But the men who decide when to open and close the gates of these multiple-purpose dams are trained engineers, experts in this sort of thing," insisted Thorny.

"Granted. But on whose evidence do they base their expert judgment as to what is happening to some tributary stream far up in distant mountains?"

"Not necessarily on right-handed tummy sleepers."

"No, and not necessarily on careless, overoptimistic, or wholly unobservant mentalities. But *possibly*. And, human nature being what it is, *very possibly*. Mr. Lilienthal, in his

book, gives an eloquent account of how the key men of the TVA stood off the threat of flood in the winter of 1942. It reads like a poem."

"*'The boy stood on the flooding deck?'*" suggested Mary.

"Hardly! That would have been too reminiscent of those other lines in Mrs. Hemans' poem:

'There came a burst of thunder sound;
The boy,—oh! where was he?'

No, Mary, I should say that this TVA poetry was more in the *'Curfew shall not ring tonight'* tradition. 'Hold back the Hiawassee!' 'Stop the flow of the Holston!' 'Keep the water out of the Tennessee!' And so on, and so on."

"Bet that will sound wonderful," said Mary, "to the Albanians, the Hungarians, the Slovaks, and the Serbo-Croats!"

"Sounded wonderful to me until I read further and discover that the Authority's 'elaborate system of reporting rainfall and gauging the flow of streams,' in spite of its use of every modern mechanical gadget, is based, in large part, on hundreds of reports 'telephoned in by a farmer's wife, a country store merchant, a woodsman.' Well, after all! Is it to be expected that these amateurs will be any more observant and accurate than the average GI on a hospital cot in the South Pacific?"

"Or as much," said Mary. "Those people haven't had the advantage of military training."

"Right," said Steve. "Suppose the farmer's wife is having a baby. Suppose the woodsman is chasing a deer. Suppose the country store merchant is entertaining a representative of the OPA. Suppose, as is likely to happen in these remote mountain regions during a storm, telephone and telegraph wires are down, roads gutted, and communication with the outside world rendered impossible. Suppose—but do I have to go further to convince you that this sort of thing is no substitute for scientific, automatic flood control?"

"I think you ought to go one step further, Steve," said Ed Sanderson, who had again entered unobserved as Steve was going into his peroration. "There's another twist of the human mind that is even more dangerous in a situation like this than too little observation or too great overoptimism, and that is too much self-interest."

"I wouldn't venture to suggest, Boss Ed, that the members of the TVA board of directors could be guilty of any such thing."

"Nor should you. Nor do I. Mr. Lilienthal and his two distinguished associates, Dr. Harcourt A. Morgan and former United States Senator James P. Pope, no matter how much we may disagree with their ideology or their objectives, are persons of the highest personal integrity and proved devotion to the public weal. Around them they have gathered men of their own type, men who can be trusted to put the national interest, as they see it, above individual gain—even the kind of gain which might accrue to them if they sacrificed public safety to the making of a successful financial record as public power operators. No fair-minded man can travel through the Tennessee Valley and meet the Tennessee Valley personnel without being aware of this fact.

"But has it occurred to you that the nation has been unusually fortunate in having men of this exceptional type at the helm of this gigantic enterprise? Suppose they had been the time-serving, patronage-dispensing political officeholders whom we have found in so many other government undertakings. Would such men hesitate to run almost any risk that would contribute temporarily to their political aggrandizement or even to the holding of their jobs?"

"That was what Doctor Arthur Morgan was most afraid of, wasn't it?" I asked.

"Yes, it was," said Steve.

"I have the proof here," continued Ed, dipping once more

into that capacious wallet. "Andy, with your young eyes, read this aloud."

"It's an excerpt from testimony by Doctor Morgan before the House Committee on Appropriations," explained my son, "and it reads as follows:

> "My chief fear in combining flood control and power is that in later years, in times of dry weather, power interests (in the authority) begin to encroach upon flood control storage, and then if there should be a big flood, the storage space might be in use for navigation and power when it should have been kept empty."

"Good lad!" exclaimed Ed. "You read well, Andy. I believe your elocution teaching at the state college, Professor, must be sounder than your economics. Try this as a follow-up. It's from a speech the Doctor made at the National Rivers and Harbors Conference."

> ". . . Power storage is needed every year, whereas great floods may occur at long intervals. There is a temptation to take a chance on floods in order to get the immediate advantage of additional storage for power . . . flood control capacity will be usurped, and will be missing when urgently needed. Already at the Norris Dam, we have been under pressure and have received bad advice to encroach on flood storage for immediate power benefits. . . ."

"I agree absolutely with Doctor Morgan," said Steve. "Even a reasonably able and conscientious operator of a multiple-purpose dam may become confused as to where his first obligation lies. He normally keeps his gates closed so as to maintain a high reservoir level and make as much power as possible. When he anticipates a flood, he is supposed to open the gates and let the water flow over the spillway on the outside of the dam (where it generates no electricity) so as to lower the level of the reservoir and make room for the excess flow. Then he is supposed to close the gates again so as to catch the oncoming waters of the flood."

"Sounds all right to me," said Thorny truculently.

"All right in theory, Thorny, like most of your theories, but it doesn't always work out in practice, for very human reasons—reasons for which your friends Raushenbush and Carl Thompson are primarily responsible."

"What do Raushenbush and Thompson have to do with whether gates are closed or not?"

"This: Under their scheme for socializing industry—and yours, Thorny—they must make at least a pretense of making money. Otherwise, Congress won't give them the additional appropriations to keep on with their plans. We have seen how hollow that pretense is in the case of the TVA, but that doesn't make any difference in their desire to put up as good a front as they can. They have gone into the power business, these promoters and exploiters, and they want to show how 'successfully' they can operate that business.

"Well," continued Steve, "what is the dam operator up against? There is no money, not a thin dime, in flood control, navigation, reforestation, prevention of soil erosion, and the like. They are just window dressing. Power is the only thing that brings in any dough. So, since the amount of power he can generate depends on the amount of water that is available, he doesn't want to 'waste' any of it that he doesn't absolutely have to on unremunerative flood control. He will take a chance. He will keep the level of the reservoir dangerously high. But he can't tell whether the rain up the valley is to be of a long or short duration. Nobody can. Rains and floods, as we have seen, are notoriously unpredictable. So he sits tight until it's too late, then opens the gates and gives the valley below a double overflow—the water from the reservoir plus the water from the flood."

"You're just supposing such a case," sneered the Professor.

"Am I? You'd better look up the dope on the Grand River Dam in Oklahoma, Thorny, and what happened when the floods came roaring down the valley in 1943."

"What did happen, Steve?" asked Lovina.

"The worst flood in the history of that river—far worse than if there had been no dam at all—and there are twenty-one of those dams in the valley of the Tennessee."

"If I lived in that valley," said Mary, "do you know what I'd do?"

"What would you do, Mrs. Fane?" asked her husband.

"I'd send out a hurry call for Noah!"

CHAPTER 5

PRODIGAL'S RETURN

In which Son Andy, having wasted his substance in riotous socialism, decides to stay American.

"STEVE," said Andy, "I've got a lot of questions to ask you."

There was that in the youngster's tone which indicated definitely a bull session, so, in my justly famous subtle manner, I shooed Lovina and Mary out of the room. To be sure, both of my distaffs had done a man's job in stripping the social-experiment boys of their fancy camouflage, but this discussion, I felt, was going to be man to man—by which I meant Andy to Steve or, more likely, Steve to Andy. Accordingly, once I was sure that wife and daughter were stepping lightly on their way to the door—around the spot where the ghost of Thorny Bowers' body still lay!—I sank into my newspaper and became, I hoped, the Invisible Man.

"O.K.," Steve was saying, "shoot the quiz program."

"You won't laugh at me, Steve, my not understanding about the TVA?"

"Laugh at you, man? Hell, ninety-nine and forty-four-one-

hundredths per cent of the people who are paying for it don't understand it!"

"It sounded awfully good as the Professor explained it to us: like a sort of crusade, if you know what I mean."

"Sure, Raushenbush the Lionhearted! Well, what's getting you now?"

"The things you said about its not being on the up and up. All those dams they didn't need to build, and all that money they're spending that they are not making a proper accounting of. I thought I was a socialist. Maybe I still am. But I don't want to be a chiseling socialist, Steve. What *is* the lowdown on those TVA dams?"

"The lowdown, Andy, is that they are too high up—about nine hundred million dollars too high. Otherwise, they're fine. Beautiful, as you know, and solid—"

"Yeah. Sis and her Pyramids and Empire States! She made me sick until you came home and backed her up."

"How could I help it, Andy? She was only quoting from the book—Lilienthal's own book. The figures aren't so important in themselves, except as they show how these babies have lost all sense of what have you. They boast about the very things they should be heartily ashamed of. Only a little while ago they released a statement that 'the volume of concrete, earth and rock-fill used in these projects would fill a hole almost ten feet in diameter straight through the earth from America to China.' I don't know why they make statements like that, do you, Andy?"

The youngster considered the question solemnly. It was clear by now which way he was going, but he wasn't going it blind.

"I suppose," he said at last, "they want to justify all the money they've spent."

"That's natural," Steve agreed, "but is it justification?"

"I'm not an engineer, Steve."

"No. Neither are most of the inhabitants of the North

American continent. But you've got common sense, and I ask you: Is it within the bounds of reason that it should take a rope ten feet thick and eight thousand miles long to harness a little river in Tennessee which is only six hundred and fifty miles long?"

"Put that way," agreed Andy, "it sounds ridiculous."

"It *is* ridiculous, but no more ridiculous than creating for the same purpose a huge system of man-made lakes—'The Great Lakes of the South,' Mr. Lilienthal calls them!—which he says has a coastline longer than our eastern seaboard and western seaboard, and our Gulf seaboard thrown in for good measure. Nine thousand miles of man-made lake shore to control one six-hundred-and-fifty-miles-long God-made river —nuts!"

"Is that why they talk so much about their great recreation program—their sailing and fishing and swimming? Another way of justifying spending all that money?"

"I don't know for sure, Andy," answered Steve. "I don't pretend to be on the inside of the minds of these men who are trying to put over this TVA idea on our whole country, or even to understand the workings of such minds. But I daresay if I'd got myself in for any such economic mess as they have, I'd do all I could to justify it."

"Then you don't think these guys intended to get themselves into the mess?"

"Personally I don't. I think it crept up on them—the result of their building power dams instead of flood-control dams, and then standing in constant fear of a flood that would overflow their power dams and show up the fundamental weakness of their position. Even now, TVA men admit that the great city of Chattanooga, in spite of all their dam building, is in grave danger of inundation. And a flood in the Tennessee Valley, after all the glowing literature they've sent out, would not only wreck their chances of getting more millions out of Congress for their own project, but would knock into

the proverbial cocked hat the idea of spreading the TVA principle throughout the country. They must have been scared to death that this would happen. I bet they thought of it every night before they went to sleep—if they *could* sleep!—and again the first thing they woke up in the morning. In between, they probably dreamed of raging waters and drowning babies and—"

"Aren't you being a bit melodramatic, Steve?" I said, without looking up from my paper.

"You can't be too melodramatic when you think about what happened to those men, women, and children who lived below that 'multiple-purpose' dam on the Grand River."

I knew he was right. A gullible public might fall for phony bookkeeping and phony democracy. They might even fall for phony flood control—so long as nobody got physically hurt as the result of the phonyness. But let the floods course down the Tennessee Valley and wipe out a hundred thousand men, women, and children—in spite of those twenty-one billion-dollar dams!—and the whole nation would rise on its hind legs and shout, "How come?" And then there wouldn't be any more billions for the TVA or the MVA or the AVA or the CVA or what have you.

I said nothing of what was going through my mind, but Steve must have sensed it, for he went on with his explanation as if he knew that we were now in complete agreement.

"So," he said, "they did the only thing that was left to them to try to prevent such a disaster."

"What was that?"

"Build more and more dams, and higher and higher dams —and, of course, costlier and costlier dams!—until they had created such huge reservoirs that they had to purchase, at the taxpayers' expense, more land than any Tennessee River flood had ever flooded or could ever conceivably flood. Even Noah never envisaged a flood of the proportions that TVA has created!"

"How much land did they buy, Steve?"

"Over a million acres."

"Some acreage!"

"One and one-half times the whole state of Rhode Island! And two-thirds of it, corresponding almost exactly to *all* of Rhode Island, is either continually under water or subject to sudden inundation. In nature's floods, the citizens of Tennessee got their land back within a few weeks, sometimes within a few days. Frequently, as usually happens after floods, it was enriched by its temporary inundation. Anyhow, they could begin working it again as they always had for their own enrichment, and the nation's. The waters, in many cases, would not disturb them even temporarily for another ten or twenty or a hundred years, if ever. But now, thanks to Mr. Lilienthal's 'Great Lakes of the South,' they never will get back the land which is under water. Its productivity will be permanently lost to them."

"And they've paid for the privilege themselves!"

I chuckled silently behind my paper. The boy was certainly getting keen.

"Yes, in taxes, and so have we, every man jack of us," continued Steve, "and so will all those who come after us—in taxes now and forevermore."

"And they call that flood control?"

"Yes, Andy, that's what they call it. But listen to these words from a speech by a man who not only lives in the so-called TVA region but who has spent years studying the problem, Congressman Whittington of Mississippi, chairman of the Committee on Flood Control of the House of Representatives. After reaffirming what everybody now knows—namely, that 'the Tennessee Valley Authority is primarily for the development of power'—Chairman Whittington goes on to say:

> ". . . it is a fallacy to assert that the TVA has protected the Tennessee Valley from floods . . . the TVA has put in

the bottoms of reservoirs substantially all of the lands that were subjected to overflow . . . the flood problems of the Tennessee Valley have been eliminated by submerging its valleys. . . ."

"I don't call that flood control," said Andy, with a fierceness that surprised me. "I call it sabotage."

"That's a strong word, Andy, but if the same method were applied throughout America—for instance, in the Missouri-Mississippi Valley, which occupies about one-seventh of the country—I think it would apply. Certainly it would accomplish what sabotage is aimed to accomplish, practical prostration of a nation's power to produce."

"I'm with you, Steve. These are things that goon Thorny Bowers never told us about."

"They're things most social experimenters don't tell about, or even think about. Whether they care about them, I don't know. You would think, for instance, that they would see that it wouldn't be reasonable, or in any way defensible, to spend eight hundred or nine hundred or a thousand million dollars to do a river-navigation job that the Army Engineers said could be done for seventy-five million."

"What's that? The Army Engineers?"

I hadn't intended to butt into this discussion, but if the social-experiment boys were actually spending ten or twelve times as much as the Army Engineers said was necessary to make the Tennessee a navigable river, that was something I wanted to know about. Those Army Engineers, they had no foreign ideology to sell, and they knew their stuff.

"Sure, Father John. The Army Engineers went into this whole Tennessee River problem in the late twenties and rendered a several-hundred-page report, complete with charts, tables, et cetera. This report was wholly ignored in the TVA legislation that was inspired by Carl Thompson and his associates and steered through Congress by the late

Senator Norris. I have the Army report right here if you'd like to read it."

"I'll take your word for it, Steve. But tell me, when was this report completed, and was it submitted to Congress?"

"Completed on May fifteenth, 1930, and submitted to Congress on May twenty-fourth. That was three years before Norris put through his TVA bill."

"Can you beat it!"

"Nobody ever has!"

"And it was going to cost only seventy-five million dollars?"

"That was the top figure. Some of the Army experts thought a sufficiently good job could be done for as little as thirty million dollars—that is, if you built the right kind of dams that did not concentrate on electric power as their main objective. Of course the Army, being accustomed to abide by the Constitution of the United States as well as to fight for it, never envisaged the possibility of the government going into the power business itself in competition with its own citizens."

"Naturally not!"

"The Engineers did look into the power situation, though, and explained that there might be some points at which higher dams than the government actually needed could be safely built by existing electric companies at their own expense to secure a certain amount of incidental hydro power to supplement their steam production. In such cases, they very properly held, the government should be asked to pay only that share of the cost which it would have had to pay to build its own lower and less costly dams for navigation only."

"That was fair."

"The whole report was fair, Father John, and very far-seeing."

"They were straight thinkers, all right, those Army Engineers," I said.

"You bet they were. They didn't have to 'justify' themselves, and they weren't trying, even unconsciously, to fool all the people all of the time. They were just stating facts, and stating them accurately. They weren't straining to establish a so-called 'yardstick.' "

"Yardstick me eye!" said Andy. "That was only a bluff. Thorny Bowers told you that."

"I grant you it was," Steve replied, "but a lot of good men in Congress who voted for the TVA didn't know that. A lot of them found out afterward, and I hope they'll remember it when they're called on by these same social experimenters to vote for MVA's, AVA's, CVA's, *ad infinitum, ad absurdum, ad nauseam.*"

CHAPTER 6

LET'S BE FAIR ABOUT IT

In which Father Tait, a bit groggy but still in the ring, takes time out for some mental repairs.

"JOHN TAIT, get hold of yourself!"

The immediate reason for this self-admonition was that I had just run across a magazine article written some time ago which quoted the distinguished Senator from New Hampshire, the Honorable H. Styles Bridges, as using a word which brought me up short:

> . . . the TVA "yardstick" rates are a brazen fraud on the public, the taxpayer, the consumer and the investor.

Fraud! There it was. Out in the open. Not my word, but

the Senator's. Nevertheless, although I had been loath to speak it, I realized that it now came more and more naturally into my unspoken thoughts—not only about the TVA rates, which were obviously phony as yardsticks or anything else, since they did not include either federal taxes or interest charges, but, justifiably or not, about the whole TVA proposition.

The folks had all gone to the movies. Ed Sanderson had said he would look in later. Right now, however, I was alone and free to return to my mind searching—with perhaps a little salutary soul searching on the side.

Was I being fair about it all? Or was I being swept along on the wave of disillusionment and revulsion which had followed my earlier enthusiasm and belief?

Fraud was an ugly word. If true in the case of the TVA, by whom was it being practiced, and on whom?

The "on whom" part of that last question was easy to answer.

The victims of the fraud, if it was a fraud, were indubitably the citizens of the United States. All of them. Not only the established electric companies whose future was being threatened, perhaps eliminated. As honest Ed Sanderson had said, you couldn't expect people to get excited if only the interests of corporations—large or small, and however worthy—were being sacrificed. Personally and as a businessman, I might not feel that this attitude was a just one, but I knew it was the popular one. And I had to admit, as Ed had, that the past actions of some corporations were largely to blame for it.

But if our discussions had proved any one thing beyond a suspicion of doubt, it was that this question was not simply one between so-called "public" power companies and so-called "private" power companies.

No such distinction exists. The people of the United States—call them the public if you will, or private citizens—own

both the companies managed by politicians and the companies managed by businessmen, the former because they put up the money to build them and pay the taxes which make up their annual deficits, the latter because, directly or indirectly, they invest the capital which enables them to operate year after year at a reasonable profit.

The latter fact has obviously not been sufficiently publicized. The unthinking citizen may still believe that his electric company is owned exclusively by small cliques of rich men—which is not, and in most cases never has been, the truth.

The intelligent citizen, of course, knows better. He knows that millions of individual stockholders scattered throughout the country, many of them old and wholly dependent on the return from their investment, comprise the great majority of owners of our business-managed power companies.

He knows, too, that every person who owns an insurance policy or has a savings bank account would suffer, by reason of his insurance company's or his bank's investment in electric-power companies' bonds, as every other investor would suffer, should the TVA idea spread throughout the country and destroy, as its sponsors plan to do, the entire electric-power industry.

He knows, if he stops to think about it, that every boy and girl who is working hard to earn a scholarship, that every teacher and clergyman and missionary and welfare worker whose salary is paid by endowments of invested capital, that every aged man and woman dependent on organized charity for support—in short, that *everyone* is affected by anything that affects an institution or an industry in which so many millions of our fellow Americans have directly or indirectly invested their life savings.

So much for the "on whom" part of the fraud question. The "by whom" part is not so easily answered.

It could hardly be said that the Socialists, who initiated

the movement for a power authority with the avowed purpose of taking over all American business on the familiar German National Socialist Party plan, were practicing a fraud. I suppose I would like to pin that accusation on them if I could, not only because I am by birth and training and nature a believer in American democracy as against a Hitlerized national socialism, but because I am still boiling over when I think of the narrow margin by which my son Andy was saved from the socialistic fire. But I have to admit that, like Thorny Bowers himself, Raushenbush and Carl Thompson were amazingly frank in saying exactly what the TVA idea was intended to do. I almost said, when I thought of how their admittedly socialistic scheme was now being publicized under the name of "democracy"—well, I almost said "refreshingly" frank!

To be sure, Raushenbush, Carl Thompson, and Company may have pulled the wool over Uncle George Norris's aging eyes to persuade him to put over their socialistic scheme under the guise of democracy; but maybe they didn't. Looking back, it seems clear that no one knew the content of George Norris's mind. He lived a clean, upright life; he commanded the respect of many, and the affection of all who came closely in contact with him. True, he stooped without shame to the most obvious parliamentary subterfuges to get his TVA legislation through Congress. But the subterfuges *were* obvious. I daresay few intelligent legislators in either the Senate or the House believed that the taxpayers' money was really being appropriated for flood control or navigation, even though the preamble to the bill did say so, and made no mention whatsoever of electric power.

Moreover, the old man's horrified reaction to the demand that TVA's power business should be subjected to the same taxes that all other businesses of every kind were subjected to—"If we go to that extreme, Senators can see that the TVA would be out of business in three months"—showed an in-

genuousness that was like the frightened cry of a child, who was afraid his favorite toy was going to be taken away from him.

In the end, the people of his own state repudiated George Norris. That has been the fate of most legislators who have favored the lavish spending of public money to further these socialistic schemes. I believe it always will be. But in Norris's case, my own idea is that history's harshest verdict on Uncle George will be that he was, in his last years, a fanatic on this power business, not a fraud.

That narrows the field, and modernizes it.

If Raushenbush and Carl Thompson and their national Socialist Party friends did what they did in the open—and the Lord knows they were vocal enough about it!—and if old George Norris, in spite of a few verbal peccadillos in the wording of his legislation, did what he did from ingenuous rather than disingenuous motives—and I, for one, am willing to grant that he did—the fraud, if there is a fraud, must be the responsibility of persons now active in the conduct of the TVA.

Here again it is hard to particularize.

It is inconceivable that engineers of the high type TVA has employed should lend themselves intentionally to deception. As a class, engineers are distinguished, above all things, for their honesty. To qualify for their profession they learn not to deceive themselves; to stay in it, and to carry the tremendous responsibilities it involves, they cannot practice deception on others. Moreover, most of the engineers I know have other characteristics which automatically eliminate them from the list of likely suspects in any fraud mystery. For example, they are not professionally interested in anything but what they are doing.

That last generalization doesn't apply to a man like my son-in-law, Stephen Fane. Steve is an engineer, but he is primarily a humanist, an idealist. Many skilled engineers—

just as skilled as Steve—even among those who work for the regular electric companies, honestly believe that multiple-purpose dams of the TVA type are O.K., and they can back up their belief with charts and figures. Steve doesn't agree with them, because he takes into consideration the human factor: the farmer's wife who was supposed to report the first sign of rising waters, but couldn't because she was having a baby; the dam operator, ambitious to earn as high a dividend as possible from his power plant, who fails to open the gates in time. But most engineers are not like that. They are, above all, scientists, and like most scientists, they are more interested in the job they are doing than in the purpose to which it is to be put.

To the layman it seems that even the most insulated scientist, building those unnecessarily high and expensive dams, would have seen that he was creating a permanent flood where only an occasional and much less devastating flood had been before. But I doubt if the Tennessee Valley engineers gave the matter a second thought. They were concentrating on what was at the moment their job. They couldn't see the waters for the dams.

In other words, as conspirators to fool anyone about the TVA, the TVA engineers, in my judgment, are definitely out—which leaves only the TVA bookkeepers, the TVA press agents, and the TVA management.

The first two groups can be briefly dismissed.

Ed Sanderson said some pretty hard things about the TVA bookkeepers. In a way, they were deserved; in a way, they weren't. Bookkeepers keep books the way they are told to keep them. In a business-managed electric-power company, they keep them according to the regulations laid down by the Federal Power Commission. It's the law. In a politically managed electric-power company like TVA—which, ironically enough, does not submit itself to regulation by the Federal

Power Commission—bookkeepers keep their books the way their bosses tell them to.

If the boss tells them to forget one-third of the money the Authority spends and allocate the balance arbitrarily to power, erosion, recreation, fertilizer, fishing, and what have you, they "forget" and "allocate." They have no choice. If they wanted to protest, there would be no one to protest to. That's the way it was in Germany under Hitler. That's the way it is in Tennessee under the TVA. Don't blame the bookkeepers!

As for the TVA press agents, they have their job and they do it. Superlatively well. Of course, they have the advantage over most press agents of having unlimited government funds to spend, of unlimited use of the government frank, and of unlimited government prestige behind even their most obvious propaganda. Nevertheless, according to the standards of their profession they have done a swell job.

Those standards, as I understand them, do not require that the press agent—or public-relations counsel, as he likes to be called—shall personally espouse the cause he is paid to further. I was reading where Democratic Tammany Hall had hired a new public-relations counsel—a Republican! These associations are strictly matters of business. So much money for so much work. The press agents, like the bookkeepers, do what they are told.

Which brings us, by way of Raushenbush and Carl Thompson and a bunch of bookkeepers and press agents, to the management of the Tennessee Valley Authority.

That management is vested by the TVA Act in a board of directors consisting of a chairman and two other members. It is possible under this arrangement for the two subordinate members to outvote the chairman and seize control. That is what happened when Doctor Arthur E. Morgan was chairman, and Mr. Lilienthal led the revolt against him which ended in his ouster. Since Mr. Lilienthal became chairman

no such revolt has occurred and, so long as he has his health and the board remains as it now is constituted, no such revolt is likely to occur. David E. Lilienthal is the undisputed boss of TVA.

The situation is not an unusual one or, perhaps, even an undesirable one. The Ford Motor Company has a board of directors, but only one man, Henry Ford, is the boss. The original Standard Oil Company had a board of directors, but only one man, John D. Rockefeller, was the boss. The system has many advantages, not the least of which is that it makes it easy to fix responsibility for a corporation's policies and acts. And it is this feature, or so it seems to old John Tait, that is of special importance in the present discussion.

I was glad, when I had reached this point in my mind searching, that I was alone. I could just imagine Lovina sighing: "That nice Mr. Lilienthal!"

He *is* nice, I am sure, and able, and, I personally believe, scrupulously honest. I believe that he would never knowingly deceive anyone. Or put it another way: I believe that he would never deceive anyone unless and until he had already deceived himself.

For example, if he *has* deceived himself, as I believe he has, into thinking that a Socialist-initiated and Socialist-grounded project like the TVA is democracy, he is not personally to be blamed for presenting it to the world under that name. If he has deceived himself, as I believe he has, into thinking that the millions of dollars he has spent building unnecessarily expensive dams and destroying permanently by his man-made floods a vast area of otherwise productive land have been wisely spent, he is not personally to be blamed for trying to justify that expenditure and that destruction in the rounded periods which are characteristic of his really notable literary style.

Nevertheless, no matter how much we may believe in the man's personal honesty, if the corporation called the Ten-

nessee Valley Authority is practicing a deception on the American people, only one man, this same personally incorruptible David E. Lilienthal, is officially responsible for it. Or even if there is only a suspicion—which I know there is, and a rapidly growing one, too—that the corporation of which he is the head is issuing misleading statements as to its condition or is withholding information necessary to a true understanding of that condition, he and only he can remedy the situation.

Of course, I am only a small-town businessman, and far be it from me to tell a man like Mr. Lilienthal what is and is not his duty. But I have a right to what I think, and what I do think is that if I were in Mr. Lilienthal's place, I would want to remedy that situation. In fact, I *would* remedy it.

How?

Well, curiously, it was Mr. Lilienthal himself who gave me the idea.

While I was thinking, I was turning over the pages of a new twenty-five-cent edition of his book, *TVA—Democracy on the March.* Mary not being present, I did not have to sit through that routine about "the Albanians, the Hungarians, the Slovaks, and the Serbo-Croats!" This new and inexpensive edition, even without the aid of the OWI, may well reach millions of readers, but they will be mostly Americans. Anyhow, I suddenly discovered that the author had written a special foreword, complete with facsimile signature, which did not appear in the more expensive edition. I was especially struck by the heading of the new foreword and its first sentence:

"TO THE STOCKHOLDERS

> This book was written as a report to the whole people; it is they who own the TVA. . . ."

Of course, this cheap edition of Mr. Lilienthal's book was no more a report to stockholders, in the accepted meaning

of that phrase, than the more expensive one was. It was the same old—I mean to say, it was the same. You know: game fish, wild life, fertilizer, Great Lakes of the South, lovely pleasure yachts on them, skinny little girls getting library books, Uncle George Norris beaming, and, of course, those sculptured dams.

But why not give a real report to the stockholders?

It would be very simple, really.

Call in the competent firm of certified public accountants who are already familiar with the TVA books, and free them from all TVA-imposed obstacles to the preparation of an actual statement of financial condition such as they would prepare for any other client.

Tell them to *assume* that TVA is complying with all the rules of the Federal Power Commission and state power commissions with which electric companies managed by businessmen are required by law to comply.

Tell them to *assume* that TVA has *not* adopted a system of arbitrary allocation by which it is able to omit from the cost of its power operation one dollar out of every three appropriated by Congress.

Tell them to *assume* that TVA *is* paying proper interest on all the money it receives from the U. S. Treasury, and all of the federal, state, county, and community taxes that electric companies managed by businessmen are required by law to pay.

Then, tell them to arrive at the exact rate, *on that fair basis,* which it would be necessary for TVA to charge for its electricity in order to break even—as electric companies managed by businessmen must do, or go into bankruptcy.

Finally, print this statement of financial condition, which cannot be open to dispute, as widely and as frequently as the previous misleading statements about TVA's financial condition have been printed.

If the TVA method of producing electric power shows,

under this obviously fair test, any appreciable advantage over the established method hitherto practiced in this country, the public will be quick to recognize it, and we will have more TVA's all over the country in accordance with Raushenbush's and Carl Thompson's original plan for socializing American industry.

If it doesn't, we won't.

Let the people decide.

That's democracy—democracy on the march.

I couldn't have fallen asleep in my chair. I never do that sort of thing! But I do have a confused memory of a smiling and apparently greatly relieved Mr. Lilienthal bowing politely from the top of a forty-six-story dam and saying:

"Thank you, Mr. Tait, we will do just what you suggest."

Then suddenly I was charging up the valley from Knoxville to Mount Ararat, mounted on a white horse and arrayed in shining armor, plunging through forests crawling with wild life, fording great lakes swimming with game fish, behind me, also on white horses, also in shining armor, platoon after platoon of noble certified public accountants and . . .

When I looked up, there was my daughter Mary standing just inside the doorway with her husband's arm around her as it had been that first night when Steve came home from the war. In the doorway itself stood Lovina and the kid, arm in arm, trying not to laugh at a foolish old man. And behind them loomed the big, comfortable figure of honest Ed Sanderson.

There must still have been some gleam of triumph in my old eyes, for Ed said:

"Found the solution to the problem, John?"

"Yes," I said, and I meant it. "The only solution."

"And that is?"

"To be fair about it."

"I am sure," said Lovina, "that that nice Mr. Lilienthal will agree with you!"

(*Continued from front flap*)

Very little, except what we have been told by TVA publicists.

This is an unusual situation, and could be an unfortunate one, since legislation seeking to establish several more TVA's during the postwar period is shortly to receive the serious consideration, very possibly the approval, of the American Congress.

Billions of dollars of the taxpayers' money are involved. Therefore, it behooves us to be sure whether or not the original TVA is the unqualified success its proponents claim it to be.

This book, written in the manner of informal and amusing dialogue, is an attempt to answer that question.

Frederick L. Collins, author of *The FBI in Peace and War,* and many other books, is an experienced reporter on varied aspects of American life. In his attempt to learn both sides of the question, he familiarized himself with the great government power projects, made a series of visits to power plants operated under business management, and interviewed many leaders in the industry.

The result is an informative and challenging book, essential reading for every citizen.

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